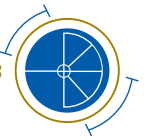


Annual Report 2022-2023



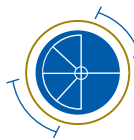
GAUTENG PROVINCE
INFRASTRUCTURE DEVELOPMENT
REPUBLIC OF SOUTH AFRICA

GGT2030
GROWING GAUTENG TOGETHER



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15M

1100

1400

3800

24M²

1500

3800

900

400

24

2

GREENSPARK CLINIC
MAIN ENTRANCE





 **FINETOWN CLINIC**



1400

3600

GAUTENG PROVINCE
REPUBLIC OF SOUTH AFRICA

FINETOWN CLINIC

- RECEPTION ↑
- PHARMACY ↑
- PARKING →
- CHRONIC CARE SERVICE ↑
- MENTAL HEALTH ↑
- YOUTH SERVICE ↑
- EMERGENCIES ↑
- REHABILITATION SERVICE ↑
- ORAL HEALTH SERVICE ↑
- BABY WELLNESS ↑

Part | A
General Information

FINETOWN CLINIC

- RECEPTION
- PHARMACY
- PARKING
- CHRONIC CARE SERVICE
- MENTAL HEALTH
- YOUTH SERVICE
- EMERGENCIES
- REHABILITATION SERVICE
- ORAL HEALTH SERVICE
- BABY WELLNESS

1. DEPARTMENT GENERAL INFORMATION

PHYSICAL ADDRESS:

Department of Infrastructure Development
The Corner House
Cnr Commissioner and Pixley ka Isaka Seme Street
Marshalltown
2107

POSTAL ADDRESS:

Private Bag X83
Marshalltown
2107

TELEPHONE NUMBER/S:

+27 11 355 5000

WEBSITE ADDRESS:

www.gauteng.gov.za



GPDID



GautengInfrastructure



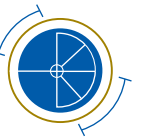
@gautng_infrastructure



Department of Infrastructure Development (DID)

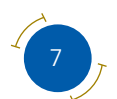


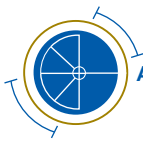
GPG Infrastructure



2. LIST OF ABBREVIATIONS/ACRONYMS

ABT	Alternative Building Technology
AGSA	Auditor General of South Africa
AO	Accounting Officer
APP	Annual Performance Plan
BBBEE	Broad Based Black Economic Empowerment
C-AMP	Custodian-Asset Management Plan
CBD	Central Business District
CFO	Chief Financial Officer
CHBAH	Chris Hani Baragwanath Academic Hospital
CHC	Community Health Centre
CRSA	Control Risk Self-Assessment
CYCC	Child Youth Care Centre
DHET	Department of Higher Education and Training
DID	Department of Infrastructure Development
DLTC	Driving License Testing Centre
EPWP	Expanded Public Works Programme
EXCO	Executive Committee
HOD	Head of Department
GIAM	Government Immovable Asset Management
GPG	Gauteng Provincial Government
IAR	Immovable Asset Register
ICT	Information Communication Technology
IDMS	Infrastructure Delivery Management System
IGR	Inter-Governmental Relations
IRPS	Infrastructure Research, Planning System
KPI	Key Performance Indicators
MEC	Member of Executive Council
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MV	Military Veterans
NERSA	National Energy Regular South Africa
NHI	National Health Insurance
NYS	National Youth Services
OHS	Occupation Health and Safety





PEP	Project Execution Plan
PFMA	Public Finance Management Act
PPP	Private Public Partnership
PQR	Quarterly Performance Report
PRC	Peer Review Committee
PSP	Professional Service Provider
PwD	People with Disabilities
RoFR	Right of First Refusal
ROMC	Risk Operational Management Committee
SDIP	Service Delivery Improvement Plan
SLA	Service Level Agreement
SMS	Senior Management Staff
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
SITA	State Information Technology Agency
STARS	Sports, Transport, Agriculture, Rural Development and Social Development
TA	Treasury Approval
TER	Township Economic Revitalization
TR	Treasury Regulations



FINETOWN CLINIC



24M²

24M²

900
250
900
580

900
400

900
448

1100

4300

2480

3. FOREWORD BY THE MEC

The past financial year has been a period of significant achievements for the Department, against the backdrop of the historical infrastructure backlog that has held back the economy of our province from realising its full potential in especially the townships, as well as the rapidly increasing demand for economic opportunities in Gauteng. The work to address these challenges continued at a faster pace, although both the new and existing infrastructure could hardly cope with the ever-growing pressure. However, our resolve to overcome these challenges remained stronger than ever before, based on the clear vision outlined in the Growing Gauteng Together 2030 vision.

We remain committed to deliberately investing in and developing the productive capacity of all our communities as well as addressing the historical imbalance of deliberate under-investment in infrastructure and skills within these areas. We are focused on undermining the apartheid spatial landscape through integrated planning and the facilitation of equitable access to public infrastructure and socio-economic opportunities for all communities. We want to empower historically disadvantaged individuals and communities, with a bias towards women, youth, people with disabilities and military veterans, as we strive to reduce poverty, unemployment, and inequality in our province.

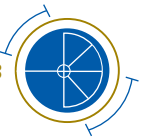
The Department has been able to achieve notable milestones in the infrastructure build programme and the creation of job opportunities during the period under review. We were able to utilise the limited land space in our land scarce province to build, refurbish and expand public facilities as well as delivering social services to communities. Much was done in order to achieve the strategic outcomes set out at the beginning of the financial year.

The significant achievements of the Department during the period under review as summarised in this Annual Report reflect how far reaching our programmes have been. We are committed to: efficient and effective delivery of public infrastructure; improving the condition



of GPG properties, including office accommodation and health facilities through efficient and effective facilities and maintenance management; optimising the GPGs property portfolio to support socio-economic and spatial transformation; economic empowerment and job creation through targeted, preferential procurement and contractor development; Expanded Public Works Programme and skills development through effective provincial coordination and also building a capable, ethical and developmental organisation.

The beginning of the third quarter of the reporting period coincided with the configuration of the Gauteng Provincial departments to fast track the implementation of elevated priorities, as pronounced by the honourable Premier of Gauteng. To this effect, infrastructure development was identified as being central to the acceleration of economic recovery and reconstruction. The Department has therefore developed a solid plan to accelerate the completion of all incomplete infrastructure projects by end of term.



The DID has begun the process of emerging from the challenges it has faced over the past two years because of the global pandemic and the subsequent economic impact. For the year under review, the Department successfully completed several key facilities in the form of new builds, refurbishment, renovation, conditional assessments, and electro-mechanical work for social infrastructure projects: These are:

- New builds are as follows: Mapenane Secondary School completed and handed over, the Sebokeng Zone 17 Clinic, Finetown Clinic and Mandisa Shiceka CDC,
- Refurbishment of the Laerskool Wierdapark, Laerskool Wonderboom Suid and Transoranje LSEN,
- Renovations of the 7th floor at 75 Fox Street, Lakeside Primary School and Ebomini Primary School,
- Conditional assessments were conducted at Hillbrow Community Health Centre and Pretoria Pathology Services, Germiston Forensic Pathology Services, SG Lourens Nursing Clinic, Gara-Nkuwa Nursing College, Ga-Rankuwa Forensic Pathology Services, Goba Clinic and Winnie Mandela Clinic,
- Electro-mechanical projects were completed at Johannesburg Laundry, Dunswart Laundry, Steve Biko Academic Hospital, Tshwane District Pharmacy and Phidisoong Clinic and Bertha Gxowa Hospital.

We conducted project site visits to various development corridors within our province, where infrastructure projects are being implemented, as part of our political oversight responsibilities, but more importantly to unlock bottlenecks so that we can accelerate service delivery. To this end, we are working towards ensuring that the remaining incomplete projects will be successfully completed by the end of term.

Through the Expanded Public Works Programme, the Department successfully coordinated work opportunities created by province for the year under review. The programme has drawn significant numbers of the unemployed into productive work, where they acquire skills to enhance their chances to secure sustainable jobs.

We have committed to ensuring that we deliver and maintain public infrastructure and leverage the immovable

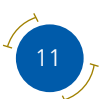
asset register of the provincial government in a way that contributes to the Ten Pillar Programme, the Seven Priorities and the Elevated Priorities.

In conclusion, we wish to thank the Head of Department, Ms Masabata Mutlaneng, the senior management team and the entire staff of the Department for their commitment, and for remaining focused on the work at hand.

Mr Lebogang Maile, MPL

MEC for Human Settlements and Infrastructure Development

31 May 2023



4. REPORT OF THE ACCOUNTING OFFICER

4.1 Overview of the Operations of the Department

As Accounting Officer, I am pleased to present our Annual Report and Accounts, which provide a fair and robust performance overview of the 2022/23 reporting period. The Department is required to compile an annual performance report as per section 40(3) (a) of the Public Finance Management Act (PFMA), in accordance with the Performance Management and Reporting Framework. The 2022/23 financial year marks the mid-term in the implementation of the five-year Strategic Plan within the sixth administration of the political term of office. The Department has made some progress in certain areas; this was made possible mainly by the opportunity to re-prioritise and carefully chart our journey to recovery. Amidst existing challenges, the Department will continue in its efforts in implementing its strategic priorities such that these outcomes are attained, mindful of the Strategic Plan 2020/21 – 2024/25 as the main driver of our implementation as a department. This annual report reflects on the performance of the Department, thus highlighting the achievements and the challenges faced by the Department during the implementation of our mandate. The Department continues to be at the forefront in responding to the needs of client departments, such as office accommodation through lease management, disposal of non-strategic assets, implementation of infrastructure projects, infrastructure maintenance, and job creation.

Overview of the Results and Challenges for the Department

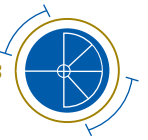
The Department has also experienced numerous setbacks in terms of achieving its set targets on procurement spent on designated groups. Supply Chain Management performance on the percentage of budget spent on township enterprises against identified commodities currently stands at 29,70%, which is above the 7,19% of the previous financial year. The pricing structure and the unwillingness of contractors to sub-contract to designated groups continues to affect our performance in this area. With regard to the pricing structure, bids that are too



high or too low or are submitted with incomplete tender documentation results in disqualification of suppliers.

Property Management

The Department also serves as a custodian of all Gauteng Provincial Government immovable assets. It is, therefore, important to ensure that all immovable assets in the asset register are complete, accurate, and disclosed with the correct values. The immovable asset register provides the baselines for property portfolio analysis and enables strategic property development. To date, the Department managed to verify over 8 000 assets in the Immovable Asset Register (IAR) and released properties for socio-economic infrastructure development. In addition, property management provides facilities to user departments and utilisation inspections conducted for office accommodation. This will result in improved efficiency and revenue collection, as well as improved management of the provincial property portfolio.



Public Works Infrastructure Delivery

During the 2022/23 financial year, the Department has completed fourteen (14) infrastructure projects on behalf of client departments within the Gauteng City Region (GCR). The Department continues to have bilateral engagements with the Department of Education to ensure that the projects are delivered within time, budget, and acceptable standards. One of the impediments that have contributed to the non-achievement of certain APP targets is related to delays in the approval to connect bulk services by municipalities, limited cashflow by the contractors and land issues. The Department has committed to remain custodians of the infrastructure projects delivery department.

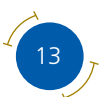
- The Department has completed eight (8) infrastructure projects on behalf of the **Health Department**. **These include the** construction of the new Sebokeng Zone 17 Clinic, Mandisa Shiceka and Finetown Clinic; renovations and rehabilitations at Johannesburg Laundry, Dunsward Laundry, Bertha Gxowa Hospital, Tshwane District Pharmacy, and Phedisong Clinic and an electromechanical project at Steve Biko Academic Hospital.
- During this reporting period, the number of **Department of Education infrastructure** projects completed stands at five (5) against the six (6) that were planned to date. Construction has been completed at Laerskool Wonderboom Suid, Laerskool Wierdapark, Lakeside Primary School, Transoranje LSEN School, and Ebomini Primary School.
- For the **Department of Sports, Arts, Culture and Recreation**, the Department completed only one (1) infrastructure project, namely 75 Fox – 7th Floor.
- In terms of maintenance, the Department strives to provide high quality and consistent maintenance services to client Departments through statutory, condition-based preventative maintenance and the replacement of aged and obsolete electromechanical

plant and equipment to ensure uninterrupted service delivery. The Department managed to complete 80 against a target of 80 maintenance projects on behalf of the Department of Health, whilst STARS managed to complete a total of 52 maintenance projects against a target of 47 to date.

Expanded Public Works Programme

The Expanded Public Works Programme (EPWP) programme has succeeded in attracting its primary target population consisting of unemployed youth, women, and people with disabilities. Most significantly, the intervention primarily facilitated access to work opportunities, and to a large extent ensured that the competencies of its beneficiaries were enhanced. More positively, the programme participants' socio-economic conditions were improved, and thus, their personal and family living standards improved. Without any shadow of doubt, it could be said that the intervention has attained its key objectives. EPWP has relatively contributed towards advancing sustainable livelihoods for communities residing in the Gauteng province. During the 2022/23 financial year the Department managed to create a total of 80 528 work opportunities through GPG Departments and Municipalities, while 1 909 beneficiaries were successfully trained. In as much as there are considerable milestones registered through EPWP initiative, a lot more work dedicated to improving the design and implementation element of this initiative should be fostered.

The Department remains committed to its vision of being a trusted provider of integrated and SMART public infrastructure and property management solutions that transform the spatial landscape and improve the quality of life for the people of Gauteng. Further implementation of the five-year plan, necessary steps will be taken towards the realisation of a viable and reliable public infrastructure in the province of Gauteng.



Overview of the Financial Results of the Department

Departmental Receipts

Departmental receipts	2021/2022			2022/2023		
	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	29 260	13 936	15 324	30 664	16 536	14 128
Sale of scrap, waste, and other goods	-	2 017	(2 017)	-	-	-
Interest, dividends and rent on land	-	35	(35)	-	271	(271)
Sale of capital assets	-	-	-	-	11 378	(11 378)
Financial transactions in assets and liabilities	770	905	(135)	807	7 534	(6 727)
Total	30 030	16 893	13 137	31 471	35 719	(4 248)

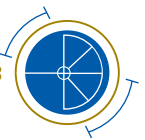
Annual revenue target for the year 2022/23 was R31 million; this amount includes disposal of properties amounting to 31% of revenue collected, recoverable revenue related to prior year expenditure, rentals received from commercial and residential properties. To date, the Department collected over R35 million over and above the set target. This implies collection of 113% on the overall projected revenue.

Revenue from sale of goods and services consist of rental from dwellings amounting to R12,7 million, non-residential building amounting to R2,3 million, parking collection amounting to R588 000 and R1 million relating to other revenue. The Department has 173 residential and 81 commercial tenants, of which R1,4 million was collected from residential, R8,7 million from commercial properties, and the remaining balance of R2,6 million was paid by tenants whose lease agreements have expired. Commercial properties managed to collect 61% of their targeted revenue compared to 11% that was collected from residential properties.

R2,3 million received from non-res building related to land that was rented out to municipalities and Eskom to build servitude lines. Interest and rent on land related to interest earned on rental for servitude lines.

Over collection of revenue is due to 14 properties that were sold through public auction and received R11,3 million. In the prior year, Exco approved a decision to dispose of non-core assets including residential buildings and vacant land. It also relates to the recovery of revenue related to previous year's expenditure incurred on behalf of the Department of Community Safety, amounting to R7,5 million. Community Safety managed to pay back the money in two tranches for office accommodation in the current financial year.

Under collection of revenue for the sale of goods and services is due to the inability to afford rentals by the tenants, especially for residential properties. To date, the Department has issued 429 letters of demand to defaulting tenants; illegal occupation remains one of the key challenges that the Department faces as well as to ensuring the process of sales through auction is completed on time.



The Department is embarking on implementation of commercialisation and optimisation strategy to identify revenue generating, space optimisation and cost reduction strategies for properties. The Department will also continue to identify and evaluate the provincial properties and prioritise the most valuable assets with the highest potential for repurposing and development. These properties will also be presented to the market for possible investors.

Programme Expenditure

Programme Name	2021/2022			2022/2023		
	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	430 659	403 641	27 018	479 238	448 389	30 849
Public Works Infrastructure	2 651 586	2 629 775	21 811	2 726 377	2 670 562	55 815
Expanded Public Works Programme	166 775	142 993	23 782	149 620	123 530	26 090
Total	3 249 020	3 176 409	72 611	3 355 235	3 242 482	112 753

Analysis of the Department's performance per programme is listed in the table above. The Department was allocated a budget of R3,3 billion in the year 2022/23; to date, R3,2 billion of the allocated budget has been spent. Despite 97% of the allocated budget being spent, the Department underspent by R112 million compared to R72 million the previous financial year. Out of the R112 million underspent, R27 million is related to stipends for the EPWP beneficiaries, R9 million is related to rates and taxes, and R53 million is related to goods and services.

The main cost driver for the current year expenditure is compensation of employees, leases, infrastructure, security services, rates, and taxes. Compared to the previous financial year, the Departmental budget increased from R3,2 billion to R3,3 billion and expenditure from R3,1 billion to R3,2 billion. Increase in current year budget allocation related to the increased number of properties that the Department pays rates and taxes.

Programme 1

Administration provides strategic leadership to the Department and support core programmes. Administration was allocated a budget of R479 million, and to date R448 million was spent. The underspending of R30 million is related to computer equipment that was bought and delivered in the current year but invoiced after the payment run cut off. All activities that were implemented within this programme are administrative in nature. The Department spent 94% of its allocated budget in the years 2022/2023 and 2021/22 respectively. The Office of the MEC spent 90% of its allocated budget. Corporate Support spent 94% and Management spent 88% of their allocated budgets. The budget allocation increased from R430 million in the year 2021/22 to R479 million in the year 2022/2023. The 10% increase in the budget allocation from Provincial Treasury related to funding for cost-of-living adjustments that was implemented in the prior year without funding but only allocated budget in the current year.

Programme 2

Public Works was allocated a budget of R2,7 billion compared to previous financial year's R2,6 billion. . The increase related to funding that was provided for new properties that were discovered during verification. This programme provides core services that are mandated to the Department. The bulk of the Department's budget is allocated to this

programme. To date, the Department spent 98% of the current year's budget compared to 99% in the previous financial year. The programme underspent by R55 million in the current year compared to R21 million in the previous financial year. The 2% underspending in the current year relates to a property valuation project that was only evaluated by SCM at the end March 2023; prior year credits received from the municipalities that were used to settle current year billing and property lease invoices that were submitted after the payment run cut off.

Programme 3

This programme form part of the key priorities of the province since it develops and empowers communities and contractors. The aim is to improve the skills of the beneficiaries and empower them to be self-sufficient after they have exited the program. EPWP programme was allocated a budget of R149 million compared to previous financial year's budget of R166 million. The decrease in the budget allocation was because of reduction in the training budget. This programme accounts for 4% of the overall budget allocation for the Department. The programme managed to spend 83% of the allocated budget compared to 86% for the previous financial year. Programme support spent 99% and Community Development spent 79% of their allocated budget. Underspending of R26 million result from most of EPWP beneficiaries exiting the programme in the third quarter.

Virements/roll overs

Programme Name	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation
	R'000	R'000	R'000	R'000
Administration	417 907	-	61 331	479 238
Public Works Infrastructure	2 774 708	-	(48 331)	2 726 377
Expanded Public Works Programme	162 620	-	(13 000)	149 620
Total	3 355 235	-	-	3 355 235

Funds Shifted

The shifting of funds requested is to alleviate overspending on items which were underfunded during the current financial year. The shifts are only cosmetic and are movement from underspending items to defray over-expenditure on another item and will not affect the baseline of each programme.

Virements/Roll-Overs

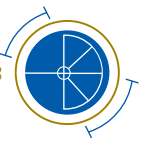
The virements requested are in line with the PFMA and within the prescribed 8% limit of the allocated budget of the programmes.

Programme 1

The programme will increase by an amount of R61,3 million which will be allocated to goods and services.

Programme 2

An amount of R48,3 million will be shifted from Programme 2 to defray over-expenditure on goods and services, which were due to a review on OHS Health projects and the interest paid on court award for Virtual Gas.



Programme 3

An amount of R13 million will be shifted to Programme 1 to defray over expenditure on goods and services, which was due to a review of OHS projects and interest paid on a court award.

Budget Rollover

Descriptions	Budget	Expenditure	Available Budget			
				% Spent	Committed but not paid	% Spent
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of Employees	1 179 186	1 151 970	27 216	98%	-	-
Goods and Services	1 064 891	1 007 597	57 294	95%	31 392	98%
Interest and rent on land	2 660	2 660	-	100%	-	-
Transfers and Subsidies	1 049 228	1 039 759	9 469	99%	3 540	99%
Payments of Capital Assets	57 196	38 477	18 719	67%	27 973	116%
Payments for Financial Assets	2 074	2 019	55	97%	-	-
Total	3 355 235	3 242 482	112 753	97%	62 905	99%

The above table represents commitments made by the Department before end of the year but could not be processed for payment at year-end. These commitments can only be processed for payment in the next financial year, provided approval is obtained from Provincial Treasury. The commitment will be raised as year-end accruals, provided the goods and service were received before year end. Accruals are paid using the budget allocation for the following year since at the time of closure of the payment system, suppliers failed to upload invoices on the electrotonic invoice submission system on time. To date, the Department spent 97% of its allocated budget, which resulted in underspending of R112 million. Should the rollover be approved, the overall Departmental expenditure will improve from 97% to 99%.

The application for rollovers is made in line with the Treasury regulations paragraph 6.4 prescribes a limit of 5% of the Department's payments for goods and services and no limit on Capex and rates and taxes. The Department's adjusted budget for goods and services after year end virements and shifts is R1,065 billion, therefore 5% of the allocation is approximately R53,24 million which will be the amount allowed for rollover on goods and services.

Unauthorised Expenditure

The Department did not incur any unauthorised expenditure for the year ended 31 March 2023

Fruitless and Wasteful Expenditure

Descriptions	2022/23
	R'000
Opening balance	-
Fruitless and wasteful expenditure – relating to current year	-
Fruitless and wasteful expenditure – relating to current year	48 135
Less: Amounts resolved	-
Closing Balance	48 135

The above table represents fruitless and wasteful expenditure that was reported by the Department to the Accounting Officer of R48 million in relation to current year's expenditure. This amount consists of rental charge and court settlement. During the year, the Department paid R8,3 million rental charge to the landlord of the Game building, while reinstating the building to its original condition. The remaining balance of R39,8 million related to court settlement that was paid to the service provider for supplying oxygen at hospitals.

During the financial year, the Department issued a circular to all officials to refrain from incurring fruitless and wasteful expenditure. The Department has since reported fruitless and wasteful expenditure to the accounting officer in accordance with National Treasury instruction no 4 of 2022/23 and Treasury Regulation 9.1.2.

Irregular Expenditure

Descriptions	2022/23
	R'000
Opening balance	2 019 051
Irregular expenditure Register – prior year	-
Irregular expenditure Register – current year	158 243
Closing Balance	2 177 294

The above table consists of opening balance of R2 billion and current year movement of R158 million. The current year movement consists of leases and security services, of which the expenditure incurred was in contravention of the Supply Chain Management prescripts. The Department has since rectified the process through tender advert for leases and security services. During the year, the Department revised the SCM policy and aligned it to the new prescripts issues by National Treasury. The Department has concluded the investigation process of irregular expenditure and referred the outcome to Provincial Treasury for condonement.

Public Private Partnerships

The Exco has given the Department a mandate to refurbish all head office accommodation for the province to comply with regulations and standards. The Department has undertaken this process and explore different funding options. The Public-Private Partnership is the preferred funding option that the Department will implement to provide office accommodation through the consolidation of the head office and administrative functions of all GPG departments within Johannesburg Central Business District.

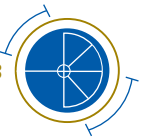
The feasibility report and Treasury Approval IIA relating to design and bids documents has been approved. Bids documents were received from various companies, evaluation process in conjunction with Gauteng Infrastructure Financing Agency (GIFA) has been concluded and referred to National Treasury for further opinion. Based on the outcome from National Treasury the Department will proceed with the procurement process.

Discontinued Key Activities/Activities to be Discontinued

There are no discontinued activities related to the Department's functions.

New or Proposed Activities

The Department has initiated the two programmes within EPWP aimed at reducing the number of unemployed persons.



Health Maintenance Programme: The Gauteng Department of Infrastructure Development (DID) jointly with the Gauteng Department of Health (DoH) are implementing the EPWP Health Maintenance Programme across three (3) Metropolitan and two (2) District Municipalities within Gauteng. This is expected to benefit 1 230 participants across the five corridors of the province to do garden maintenance and cleaning administration blocks for a period of 12 months. The programme will have special emphasis on the targeted groups of women, youth and people with disabilities, including adults. This programme aims to draw significant numbers of unemployed persons into productive work.

The objectives of this programme are:

- To create sustainable labour-intensive work opportunities;
- To create work opportunities for unskilled and unemployed youth;
- To meet the DID objectives of sustaining employment opportunities and contributing to the eradication of poverty;
- To increase the employability and self-sustainability of young people by providing them with skills, whilst gaining work experience and exposure in the working environment;
- Provide garden maintenance and cleaning of administrative facilities within health institutions; and
- Instil a sense of pride and ownership in the community by providing a safe and clean environment.

To this effect, the Department has allocated a budget of R52 million for the year 2023/24.

Vacant Land and Facilities Maintenance: The programme will be manually and physically clearing of provincially-owned vacant sites and properties whose grounds and offices will be maintained through utilising the surrounding communities as labour. The programme will be implemented as of the Expanded Public Works Programme (EPWP) and be spearheaded by the Gauteng Department of Infrastructure Development as a contribution towards poverty eradication and job creation. The objective of this programme is to provide a cost-effective, labour-intensive method of routine site maintenance of the provincial vacant sites or other duties as determined from time to time by the Head of Department: Infrastructure Development or his/her duly appointed designee in a sustainable manner. The targeted groups for this programme are women, youth, and people with disabilities, including adults. Budget allocation for this programme is R43 million in the year 2023/24.

The Department, in conjunction with the relevant stakeholders and business may arrange both accredited and non-accredited training for the participants, including but not limited to the following:

- a) Technical skills (use of equipment and site clearance techniques);
- b) Grass cutting;
- c) Basic safety matters;
- d) First aid;
- e) Basic Life skills (financial, health and hygiene, HIV/Aids, sexual reproduction, etc);
- f) Social development skills; and
- g) How to identify indigenous trees and alien plants.

Green Technology: Supply and install of solar PV and battery storage energy systems for GPG facilities - the outcome of this project is to enable GPG facilities to benefit from a backup source of power in response to the energy crisis faced by the province. The final construction will require approximately R20 million, with more job opportunities expected. To address the energy crisis for 2023/2024 to ease and provide alternative energy supply to 50 GPP facilities, R276 million is required to support schools, health facilities, and GPG offices.

The Department's facilities generate both general and hazardous waste, the department plans to collect both the general and hazardous waste in 20 facilities. This involves waste not collected by the local authority. Total amount of waste to be collected is about 2 047,5 kg (2.01 tons).



The department plans to supply, install, and commission smart electricity meters configured on an online platform to add value in the correction of billing, as well as opportunities for energy savings. The smart meter installations are intended to cover hospitals, schools, libraries, laundries, and offices across the Gauteng province.

GPG buildings must meet compliance with the regulations set out by the Department of Minerals and Energy (DMRE). This project seeks to supply physical EPCs for applicable buildings and schools to comply with the regulations, thus, avoiding penalties. Three EPCs have been issued, with more in the pipeline. The energy rating of a building allows for measures to be put in place to further improve energy consumption. Compliance with the requirements must be achieved, therefore more budget is required.

Green Star-rated buildings are estimated to use 66% less energy (electricity) and 51% less water than average buildings; these savings will benefit the departments as the certified buildings will pay less for utilities. The project is being implemented at four (4) buildings. Green Star Audits, Surveys and Measurements have been completed, which involve auditing the indoor air quality, lighting comfort, thermal comfort, occupant surveys, daylight, and views.

The completed projects have demonstrated value in promoting the Green Agenda and resulted in job opportunities being created. They have created a solid baseline for further upscaling with a suitable procurement process.

Supply Chain Management

- **Unsolicited bid proposals concluded for the year under review**

There had been no unsolicited bid proposals concluded in the 2022/2023 Financial Year.

- **SCM processes and systems are in place to prevent irregular expenditure**

All tenders that are above R2 million will undergo probity auditing, as to enhance compliance to all legislative prescripts and processes, in the attempt to prevent irregular expenditure. All findings raised by probity auditors must be dealt with and cleared by Bid Specification or Evaluation Committee before proceeding to the next phase of the acquisition process.

With regards to tenders that are classified as emergency projects, the projects will still be subjected to the bid committees: Bid Specification Committee, Bid Evaluation Committee and Bid Adjudication Committee. This will ensure that the necessary SCM processes, as well as prescripts are followed. However, the committees will be cognisant of the time to process tenders, the processing must be shorter than normal bid processes. The framework panel that had been advertised for CIDB level 6 to 9 various disciplines is currently under evaluation. The framework will assist in time reduction to appoint a supplier; however, the tenders will still go the normal bid committee's route. Further to this, the SCM Policy had been updated to the process that should be followed should a tender be regarded as an emergency; this increases the prevention of irregular expenditure.

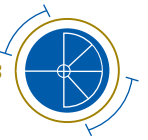
- **Challenges experienced in SCM, and the resolutions made**

The following are challenges regarding non achievement of targets for military veterans and PWD

- Limited responses from this groups on tender adverts
- Where there are responses, such do not meet set criteria
- There is also a limited number of companies owned by this groups on our maintenance panel

- **Gifts and donations received in kind from non-related parties**

The management of gifts and donations is administered by Directorate: Risk Management. It is the responsibility of the officials to ensure that all gifts and donations received are disclosed in the gift register. Through an inspection of the register, the Department has noted that no one has received gifts and donations during the year 2022/23.



- **Exemptions and deviations received from the National Treasury**

There had been no exemption or deviation reported to the relevant treasury. SCM had reported projects or services to the Gauteng Treasury where the threshold varied by more than 15% for goods and services or 20% for construction projects as per Instruction Note 3 of 2021/22.

- **Events after the reporting date**

There are no events that happened after the reporting date that might require adjustment to the financial statement.

- **Other**

There are no other matters for reporting in the financial year under review.

Acknowledgement/s or Appreciation

The unconditional commitment from MEC Lebogang Maile in providing direction and leadership in DID's quest for the achievement of strategic objectives and targets is acknowledged. The dedication and the work done by DID staff at all levels will never go unnoticed. Partnerships with Client Departments and other stakeholders have gone a long way in ensuring that the implementation of public infrastructure projects is realised.

Approval and Sign-Off

Ms Masabata Mutlaneng

Accounting Officer

Department of Infrastructure Development

31 May 2023



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.

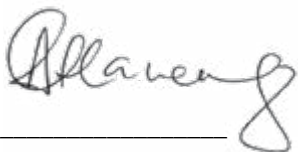
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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 2023.

Yours faithfully

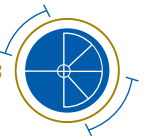


Ms Masabata Mutlaneng

Accounting Officer

Department of Infrastructure Development

31 May 2023



6. STRATEGIC OVERVIEW

6.1 Vision

A champion of GPG socio-economic development and spatial transformation through sustainable infrastructure development and comprehensive immovable asset management.

6.2 Mission

A champion of GPG socio-economic development and spatial transformation through sustainable infrastructure development and comprehensive immovable asset management.

6.3 Values

Value	Description - Behaviour and/or action demonstrating the value commitment
People-centric	<ul style="list-style-type: none"> Guided by the principles of Batho Pele, we put people at the centre of all our decision-making processes; Our stakeholders are consulted and actively engaged with through various existing and new platforms and forums; and Feedback is encouraged and actioned as part of our drive for continual improvement and operational excellence.
Professional	<ul style="list-style-type: none"> We hire and retain professionals who are experts in their respective areas of work; In this way, we are able to provide quality products and serve our stakeholders with distinction and leadership across the infrastructure value chain; and Our management and staff are presentable, credible, and punctual, and act ethically, with integrity and honesty at all times.
Teamwork	<ul style="list-style-type: none"> We work together as a team to achieve the strategic priorities of government and outcomes for our beneficiaries; Our processes and systems encourage teamwork and are implemented within an enabling environment; and We use teamwork to improve collaboration and encourage open communication within the Department and with stakeholders.
Accountable	<ul style="list-style-type: none"> We are responsible and answerable that the services and products provided are of the highest quality, and in accordance with the principles of good governance.; When mistakes are made, we take corrective action and resolve the situation quickly; and We reward exceptional performance, while implementing stringent consequence management.
Transparent	<ul style="list-style-type: none"> We use a mix of communication mediums to share information regarding all our processes, so that they are clearly understood by both internal staff and the general public; and We strive to ensure that our processes are explicit, open, and unambiguous.



Value	Description - Behaviour and/or action demonstrating the value commitment
Solutions-oriented	<ul style="list-style-type: none"> • We deploy our scarce resources optimally and using technology we can provide an ever-increasing range of infrastructure and property management solutions; • This requires us to be problem solvers and to find innovative solutions to problems; • Through continuous improvement, we strive for operational excellence across the infrastructure value chain; and • Agile and easily adaptable team.
Innovative	<ul style="list-style-type: none"> • To be open to new ideas and develop creative solutions to problems in a resourceful way; • Introduction of new technologies or upgrades that are designed to achieve both product differentiation and low costs; • Employees are fountains of new ideas fuelling better processes that pools a diverse set of perspectives and experience by assembling cross-functional teams to collaborate on projects, and • Employees use their imaginations to drive innovation.
Ethical conduct and integrity	<ul style="list-style-type: none"> • Ensuring that we are consistent in our values, principles, actions, and measures and thus generate trustworthiness amongst ourselves and with our stakeholders; and • Being honest in the best interests of the Department, the taxpayers, and the public we serve, taking proactive steps to improve governance and prevent and act against corruption and maladministration.

7. LEGISLATIVE AND OTHER MANDATES

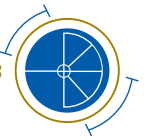
The DID derives its mandate from various pieces of legislation. Some of the legislation is specific to the infrastructure delivery industry, while other pieces of legislation are directly impacting on the construction industry.

In summary, the purpose of the DID is to develop and maintain a socio-economic infrastructure that allows all the province's people to have access to social services.

These include:

- Ensuring the implementation of all infrastructure programmes and projects reflected in the short-, medium- and long-term plans of the GPG.
- Managing the construction of GPG Capex projects such as schools, hospitals, clinics, and recreation centres.
- Managing the provision of maintenance services for all GPG infrastructure.
- Managing the provincial property portfolio.
- Ensuring participation and involvement of communities through the implementation of the EPWP within GPG Capex projects and other departmental projects.
- Utilising the construction sector as a catalyst for the development of skills, the creation of jobs and the development of sustainable communities.

The specific pieces of legislation that make up this mandate are briefly described below.



7.1. LEGISLATIVE FRAMEWORK

Constitution of the Republic of South Africa, 1996 (Act 108 of 1996, as amended)

The Act introduces a new Constitution for the Republic of South Africa and provides for the Provincial and National functions regarding public works functions (Schedules 4A and 5A of the Constitution, in particular). Schedule 4A makes the public works function a concurrent National and Provincial legislative competence. It provides that where the function in Schedule 4A and 5A can best be administered locally, a Provincial or National Department could, by agreement, assign/delegate such a function to a Municipality, provided that the Municipality has the capacity and resources to implement the function.

7.2. LEGISLATION GOVERNING THE PROPERTY MANAGEMENT

Government Immovable Asset Management Act, 2007 (Act 19 of 2007)

To provide for a uniform framework for the management of an immovable asset that is held or used by a national or provincial department; to ensure the coordination of the use of an immovable asset with the service delivery objectives of a national or provincial department; to provide for issuing of guidelines and minimum standards in respect of immovable asset management by a national or provincial department; and to provide for matters incidental thereto.

Abolition of Certain Title Conditions Act, 1999 (Act 43 of 1999)

The Act provides for the abolition of certain conditions in terms of which the consent or permission of the holder of an office under the Republic is required for the alienation or transfer of immovable property from one person to another.

Prevention of Illegal Eviction and Unlawful Occupation of Land Act (Act 19 of 1998)

The Act provides for the prohibition of unlawful eviction, provides for procedures for the eviction of unlawful occupiers and repeals the Prevention of Illegal Squatting Act, 1951 and other obsolete laws. The Act prescribes a process for dealing with land invasions. The Act prohibits unlawful evictions but seeks to highlight procedures that must be followed for the eviction of unlawful occupiers.

Communal Land Rights Act, 2004 (Act 11 of 2004)

The Act provides for legal security of tenure by transferring communal land, including Gauteng Provincial Land, to communities, or by awarding comparable redress. The Act also provides for:

- The conduct of a land rights enquiry to determine the transition from old order rights to new order rights;
- The democratic administration of communal land by communities;
- Land Rights Boards; and
- The co-operatives' performance of municipal functions on communal land.

Communal Property Associations Act, 1996 (Act 28 of 1996)

The Act enables communities to form juristic persons, to be known as Communal Property Associations to acquire, hold, and manage property on a basis agreed to by members of a community in terms of a written constitution.

Deeds Registries Act, 1937 (Act 47 of 1937)

The Act consolidates and amends the laws in force in the Republic, relating to the registration of deeds.

Extension of Security of Tenure Act, 1997 (Act 62 of 1997)

The Act provides for measures with State assistance to facilitate long-term security of land tenure and to:

- Regulate the conditions of residence on certain land;
- Regulate the conditions on and circumstances under which the right of persons to reside on land may be terminated; and
- Regulate the conditions and circumstances under which a person, whose right of residence has been terminated, may be evicted from the land.

Land Administration Act (Act 2 of 1995)

The Act provides for the delegation of powers and the assignment of the administration of laws regarding land matters to the provinces. It also provides for the creation of uniform land legislation.

Expropriation Act, 1951 as repealed by Act 63 of 1975

The Act provides for the expropriation of land and other property for public and certain other purposes.

State Land Disposal Act (Act 48 of 1961)

The Act provides for the disposal of certain State Land and for matters incidental thereto, and to prohibit the acquisition of State Land by prescription.

7.3. LEGISLATION GOVERNING THE BEHAVIOUR OF PARTIES

These pieces of legislation protect the interests of parties contracting with the organs of State.

Public Protector Act (Act 23 of 1994)

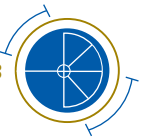
The Public Protector Act (1994) empowers the public to lodge complaints with the Public Protector, who can act as an ombudsman, and to investigate and report on and take remedial action on conduct in State affairs or in the public administration that is alleged to be improper. Information or evidence that suggests criminal activity is referred to the South African Police Services (SAPS) and the Director of Public Prosecutions. Non-compliance with tender procedures resulting in irregular or unauthorised expenditure is referred to the Auditor-General.

Public Finance Management Act (Act 1 of 1999, as amended)

The Act regulates financial management in the National and Provincial governments, to ensure that all revenue, expenditure, assets, and liabilities of those governments are managed efficiently and effectively. The Act also provides for the responsibilities of persons entrusted with financial management in those governments, and to provide for matters connected therewith.

Promotion of Access to Information Act (Act 2 of 2000)

This Act gives effect to the rights provided for in the Bill of Rights in Section 32 of the Constitution (Act 108 of 1996),



namely, that everyone has the right of access to information held by the State and any information that is held by another person that is required for the exercise or protection of any rights. The Act sets out the procedures pertaining to obtaining records in the public and private sectors, the grounds for refusal of access to information, mandatory disclosures in the public interest, and appeals against decisions of information officers of certain public bodies.

The Promotion of Administrative Justice Act (PAJA) (Act 3 of 2000)

This Act applies to all organs of state and gives effect to the right to administrative action that is lawful, reasonable, and fair as provided in the Bill of Rights and presented in Section 33 of the Constitution (Act 108 of 1996, as amended).

It sets out fair administrative procedures for the judicial review of administrative actions, the questioning of unfair administrative action, the setting aside of administrative action, the correcting of defective action, and the ordering of payment of compensation and remedies in proceedings for judicial review, including the prohibition of an administrator from acting in a particular manner. Decisions made in the public sector regarding actions taken in the evaluation and award of a contract is an administrative decision, and as such, subject to the PAJA (2000).

The Prevention and Combating of Corrupt Activities Act (Act 12 of 2004)

This Act applies to both the public and the private sectors. It defines corruption and related activities as an offence, establishes a register to place certain restrictions (relating to tenders and contracts) on persons and enterprises convicted of corrupt activities, and places a duty on certain persons holding a position of authority to report certain corrupt transactions.

The Act also makes it an offence to be an accessory to, or after, the abovementioned offences, as well as to attempt, conspire, or induce another person to commit such offences. Persons convicted of an offence may be fined or imprisoned, and their particulars or the particulars of the offending firm will be placed on a register of tender defaulters which will be open to the public. Purchasing authorities must disqualify and ignore tenders received from such persons and enterprises. In terms of the Act, corrupt activities include:

- Improperly influencing in any way, the promotion, execution, procurement, or retention of any contract;
- The fixing of the price, consideration or other moneys stipulated or otherwise provided for in any contract;
- Manipulating by any means the award of a tender; and
- Manipulating by any means the outcome of an auction.

Public officers having a private interest in a contract connected with the public body that employs them, except where the interest is in a stock exchange listed company, or their conditions of employment do not prohibit such involvement in a contract.

The direct or indirect offering or receiving of gratifications underlies the abovementioned corrupt activities. The Act further places a duty of care on accounting officers and accounting authorities to report known or suspected cases of corruption to a police officer, failing which, they are guilty of an offence. Police officers are required to issue notices of receipt of such reports.

The Promotion of Equality and the Prevention of Unfair Discrimination Act (Act 4 of 2000)

Section 9 of the Bill of Rights contained in the Constitution (Act 108 of 1996, as amended) states that equality includes the full and equal enjoyment of all rights and freedoms and that no person may unfairly discriminate directly or indirectly

against anyone. To this effect, the Promotion of Equality and the Prevention of Unfair Discrimination Act (Act 4 of 2000) was promulgated.

The Act prohibits unfair discrimination against any person on the grounds of race or gender and requires that reasonable steps be taken to accommodate the needs of such persons. A schedule attached to the Act provides an illustrative list of unfair practices in certain sectors. This list cites “unfairly limiting access to contractual opportunities for supplying goods and services” as an unfair practice.

Public Audit Act (Act 26 of 2005)

Requires that the Public Auditor reasonably satisfies himself/herself, that satisfactory management measures have been taken to ensure that resources are procured economically and utilised efficiently and effectively. (The Public Auditor has wide powers to investigate and enquire into procurement matters and related control. He/she is furthermore obligated to report his/her findings either to Parliament or a Provincial legislative, as relevant).

Protected Disclosure Act (Act 26 of 2000)

Makes provision for the protection of employees in both the public and private sectors who disclose information in good faith regarding unlawful or irregular conduct to the Public Protector, Auditor-General, or a person or body established for this purpose in terms of the Act. In short, it protects those employees who “blow the whistle” on corrupt practices.

Electronic Communications and Transactions Act (Act 25 of 2002)

The Act establishes legal requirements for data messages and the communication of data messages.

7.4 LEGISLATION GOVERNING PROCUREMENT

There are various pieces of legislation that govern the achievement of the primary and secondary procurement objectives set out in the Constitution.

Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)

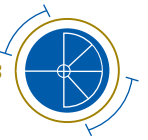
The Act establishes a legislative framework for the promotion of black economic empowerment and to empower the Minister of Trade and Industry to issue codes of good practice and to publish transformation charters.

The Act further provides for the establishment of the Black Economic Empowerment Advisory Council. The recent amendments of the Preferential Procurement Policy Framework Act (2000) call for the submission of B-BBEE Status Rating Certificates as a basis for the evaluation of tenders, with the application of the 80:20 preference points system (tenders below R1 million) and 90:10 preference points system (for tenders above R1 million).

The Preferential Procurement Policy Framework Act (Act 5 of 2000)

To give effect to section 217(3) of the Constitution by providing a framework for the implementation of the procurement policy contemplated in section 217(2) of the Constitution; and to provide for matters connected therewith.

Section 217(3) of the Constitution allows for the procurement policy that provides for categories of preferences in allocating contracts and the protection and advancement of persons, or categories of persons, disadvantaged by unfair discrimination.



The Act requires organs of State (those responsible for procurement and elected leaders, e.g., accounting officers and councillors) to determine their preferential procurement policy and to implement it within a framework. The framework provided by the Act requires that a preference point system must be followed:

- For contracts with a Rand value above a prescribed amount, a maximum of 10 points may be allocated for specific goals, provided that the lowest acceptable tender scores 90 points for price.
- For contracts with a Rand value equal to or below a prescribed amount, a maximum of 20 points may be allocated for specific goals, provided that the lowest acceptable tender scores 80 points for price.

The Competitions Act (Act 89 of 1998)

The Act prohibits the following between parties:

- Any restrictive horizontal practice that prevents or lessens competition in markets or involves fixing a purchase or selling price or any other trading conditions; dividing markets by allocating customers, suppliers, territories, or specific types of goods or services; or collusive tendering.
- Any restrictive vertical practice that substantially prevents or lessens competition in a market or establishes a minimum resale price.

State Information Technology Agency Act (Act 88 of 1998)

Empowers the State Information Technology Agency (SITA) to act as a procurement agency in respect of information technology requirements in accordance with the State Procurement Policy regarding the provision of data processing services; training; application software development and maintenance services; technical, functional, and business advice and support; and related management services.

7.5 LEGISLATION GOVERNING CONSTRUCTION INFRASTRUCTURE DELIVERY

Construction Industry Development Board Act, 2000 (Act No. 38 of 2000)

The Act provides for the establishment of the Construction Industry Development Board (CIDB) to implement an integrated strategy for the reconstruction, growth, and development of the construction industry. The CIDB Act (2000) mandates the Board to establish and maintain a National Register of Contractors (NROC) and a National Register of Projects (NROP). The Gauteng DID will be required to appoint CIDB-registered contractors on all its infrastructure development and maintenance projects. All projects above a set threshold (currently R200 000) will also have to be registered with the CIDB.

National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977)

The Act provides for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities, and for the prescribing of building standards.

National Heritage Resources Act, 1999 (Act 25 of 1999)

The Act introduces an integrated and interactive system for the management of the national heritage resources. The Act also aims to promote good governance at all levels and empower civil society to nurture and conserve their heritage resources so that they may be bequeathed to future generations.

National Environmental Management Act, 1998 (NEMA, Act 107 of 1998, as amended by Act 8 of 2004)

a. NEMA (1998, as amended by Act 8 of 2004)

The Act provides for co-operative environmental governance by establishing principles for decision-making on matters affecting the environment, institutions that will promote co-operative governance, and procedures for co-ordinating environmental functions exercised by organs of State. The Act further provides for the prohibition, restriction, or control of activities which are likely to have a detrimental effect on the environment, and to provide for matters connected therewith.

b. NEMA (Act 8 of 2004)

The Act amends the NEMA (1998), to insert certain definitions and substitute others, to make further provision regarding environmental authorisations, to make certain textual alterations, and to provide for the registration of associations of environmental assessment practitioners.

7.6 LEGISLATION REGULATING THE EMPLOYMENT OF PUBLIC SERVANTS

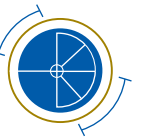
The various pieces of legislation regulating the employment of public servants include, but are not limited to the following:

- Public Service Act, 1994
- Public Service Regulations, 2001
- Public Service Laws Amendment Act, 1997 and 1998
- Skills Development Act, 1998
- Public Service Co-ordinating Bargaining Council (PSCBC)
- General Public Service Sectoral Bargaining Council (GPSSBC)

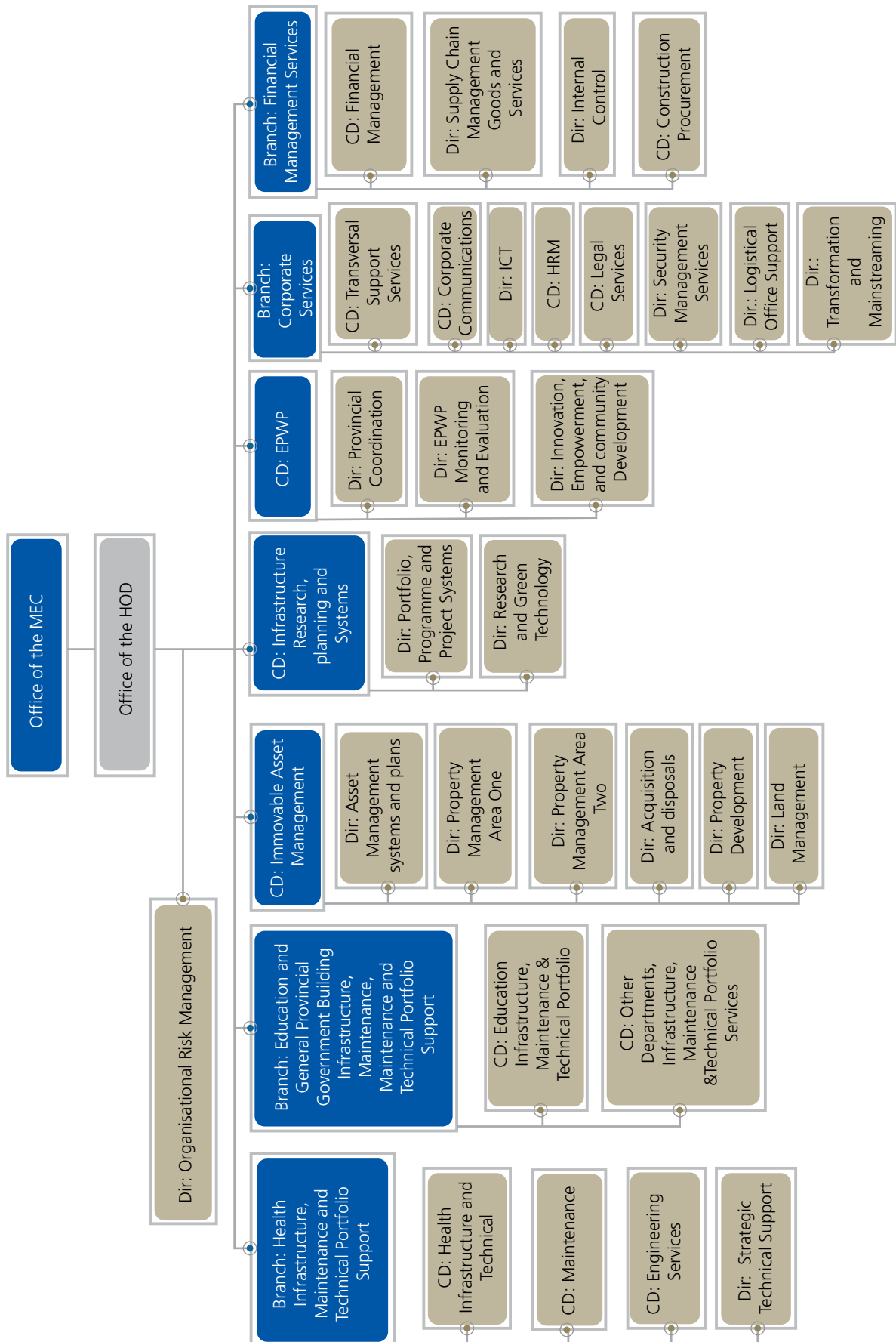
7.7 PROVINCIAL POLICIES IMPACTING ON THE SCOPE OF WORK OF THE DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT

There are several strategic policy documents that have an impact and influence on the mandate and direction of the service delivery programme of the DID. These include, but are not limited to the following:

- Municipal Integrated Development Plans (MIDPs) for the various metros, districts, and local municipalities
- Gauteng Provincial Growth and Development Strategy (GPGDS)
- Gauteng Strategic Procurement Framework (GSPF)
- Gauteng Master Skills Plan (GMSP)
- National Development Plan 2030 (NDP)
- The Infrastructure Delivery Management System (IDMS)
- Gauteng Spatial Development Framework (GSDF) 2030
- Growing Gauteng Together (GGT) 2030
- GPG's Transformation, Modernisation and Reindustrialisation (TMR) Strategy



8. ORGANISATIONAL STRUCTURE





1550

5700

1500

800

1400

EMERGENCY

MANDISA SHICEKA CLINIC



Part | B

Performance
Information

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 168 of the Report of the Auditor-General, published as Part F: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1. Service Delivery Environment

During the 2022/23 financial year, the department has implemented several projects on behalf of client departments being the Department of Health, Education and Social Development, Sports, Arts, Culture and Recreation and Roads and Transport. In projects' implementation, the department has faced several issues pertaining to changes in scope of the projects, cashflow problems of the contractors, community unrests causing delays in completion of these projects. Some of these challenges, at times, have resulted with contractors abandoning the sites. The bleak global economic outlook has resulted in limited budget allocation for projects, which has affected the implementation.

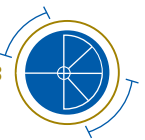
The Department continuously provides support to emerging contractors through the Contractor Development Programme (CDP). The CDP is aimed at transferring skills for emerging contractors in the infrastructure sector to ensure they possess adequate technical skills and experience needed to implement projects.

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
Increase the number of GPG properties to be leased out to interested parties for revenue generation.	GPG Client Departments, Local Municipalities, Parastatals, Citizens, and Communities	5 properties disposed of	20 properties to be transferred to third parties	13 properties transferred to third parties
		3 properties released for socio-economic infrastructure development	6 properties to be released for socio-economic infrastructure development	6 properties were for socio-economic infrastructure development
		9 facilities provided to user departments (fit for purpose)	8 facilities provided to user departments (lease)	12 facilities provided to user departments



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

Current/actual arrangements	Desired arrangements	Actual achievements
Clients complaining about the vague process on leasing the government properties. Client's access DID information through walk-ins, telephonic and e-mail correspondence.	Ensure the leasing process is simplified so that it can be user-friendly for clients.	To eliminate the unclear process of leasing, the department has taken a decision to advertise GPG-owned properties through an open tender process.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Information is provided through TV screens at reception areas at Head Office, however, the information is not reviewed and updated.	Information provided is updated annually	Not all the departmental information is updated on continuous basis.
Information available on Departmental Intranet or website and social media.	<ul style="list-style-type: none"> - Conduct roadshows to Gauteng communities on the process of leasing government properties at least once a year. - Information provided on social platforms is monitored and reported on. 	The Department has established different media platforms to communicate the departmental initiatives on infrastructure such as Twitter, Facebook, LinkedIn, including the engagements with communities, PSP, contractors, other provincial and local entities, and other stakeholders.

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Information is provided through TV screens at reception areas at Head Office, however, the information is not reviewed and updated.	Information provided is updated annually	Not all the departmental information is updated on continuous basis.
Information available on Departmental intranet or website and social media.	<ul style="list-style-type: none"> - Conduct roadshows to Gauteng communities on the process of leasing government properties at least once a year. - Information provided on social platforms is monitored and reported on. 	The Department has established different media platforms to communicate the departmental initiatives on infrastructure, such as Twitter, Facebook, LinkedIn including the engagements with communities, PSP, contractors, other provincial and local entities, and other stakeholders.

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Complaints are received through various mechanisms including the Office of the Premier's platform.	Develop an integrated complaints/ citizen feedback management strategy to ensure complaints and enquiries are finalised within acceptable timeframes.	Adequate management and resolving of the complaints received by the Department through the integrated complaints management system. The department received +-60 enquiries on job opportunities which is currently being finalised. The agreement with the Office of the Premier was that within FY2023/2024 the Department will establish the list of frequently asked questions (FAQs) that will be responded to by first call on contact. Only those cases that cannot be resolved and require actioning be escalated and these information enquiries shouldn't be treated as complaints.

2.3. Organisational Environment

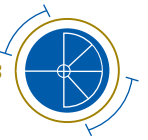
The Department held a two-day BMT strategic planning session is to reflect and take stock on detailed performance over the period 2019/20 to 2021/22, in delivering on our strategic intent as reflected in the Strategic Plan 2020–2025 and the MEC's Delivery Agreement. The strategic planning session agreed on several resolutions which include:

- Alignment of Budget with plans that respond to needs of communities on the ground;
- Ensure that the strategic outcomes are aligned to the achievement of strategic goals, particularly systems, processes, and people;
- Enhance the way property optimisation, project prioritisation and project valuation are conducted; and
- Strengthen the use of existing technologies and systems to enhance data driven policy and decision making across the infrastructure value chain.

During the financial year 2022/23, the Department did not receive any material findings on audit of pre-determined objectives (AOPO). This achievement is attributed to the control measures that have been put in place to drive accountability and ensure that the unqualified audit finding of the previous financial year is maintained.

2.4. Key Policy Developments and Legislative Changes

During the 2022/23 financial year, the Department did not make any policy changes or legislation that may have affected operations.



3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The Department remains committed to benefit the people of the province by the acquisition, development, operating, maintaining, and disposing of public-owned fixed property in a manner that contributes to spatial and socio-economic transformation. During the current political term, the Department has completed a total of 67 infrastructure projects. Of the those, 37 were on behalf of the Department of Education, 18 for Health and 12 for other departments. Highpoints were seen in the delivery of five community libraries, three clinics at Finetown, Dewagensdrift and Greenspark. Other key projects included the demolition and construction of the Noordgesig Primary School and new primary school constructed in Tembisa, the construction of the new Early Childhood Development center namely, Devon/Impumelelo ECD, which some also refer to as John Jangaiso ECD. A sports facility with the name, Operation Mabaleng, was also one of important projects completed on behalf of the Department of Sports, Arts, Culture and Recreation. The Department continues to recognise the need to remain steadfast in efforts towards reaching outcomes set in the National Development Plan. It is for this reason that strengthening the support services within the department and absorption of key roles in core services the department is steered towards achieving its goals.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1. Programme 1: Administration

Programme Purpose

The purpose of the Administration Programme is to provide strategic leadership and to support the core programmes in their efforts to implement the mandate of the Department. This includes the provision of strategic and operational support services for the MEC and the HOD, the provision of finance and supply chain management services, corporate support services and organisational risk management services.

The sub-programmes within this programme are mandated to provide executive support services, promote ethical and good governance within the Department.

Depicts sub-programmes under the Administration Programme

Sub-Programme	Purpose
Office of the MEC	Management of the executive office and provision of executive support to ensure that the Executive Authority can fulfil their mandate as prescribed by legislation.
Office of the HOD	Management of the office of the HOD and the provision of support to enable the HOD to provide the Department with administrative and strategic leadership to fulfil all statutory and strategic requirements pertaining to the functioning of the Department.
Finance and SCM Branch	Manage and facilitate the provision of efficient and effective financial management and supply chain management services for the Department, as well as the management of internal controls. This includes ensuring value for money in the spend of client budgets.
Corporate Services Branch	To manage and monitor the provision of corporate management services, including human resources management, transversal support services (strategic planning, performance monitoring and evaluation), communications, information systems, legal services, logistics, and security management.
Risk Management Directorate	The provision of risk management support for the organisation.



List of institutional outcomes that Programme 1 contributes towards

Outcome 1: Optimised public-owned fixed property portfolio

Outcome 4: Increased contribution of infrastructure spending on socio-economic development

Outcome 6: Capable, ethical, and developmental organisation

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The Department continues to work in improving economic involvement and emancipation of designated groups such as women, people with disabilities, youth, including black-owned enterprises. These efforts are mainly extended through its procurement processes which aim at prioritising black-owned businesses, thus responding to Broad-Based Black Economic Empowerment (BBBEE) requirements. During the 2022/23 financial year, the Department achieved its targets on procurement allocated to black-owned enterprises, in particular procurement allocated to black women-owned enterprises, and this was mainly due to awards made through the maintenance panel and the large representation of these previously disadvantaged businesses. However, the Department faced challenges in terms of achieving targets of procurement allocated to youth-owned enterprises, people with disabilities and military veterans and these challenges relate to a low response from these groups. The Department is making strides to ensure the prioritisation of appointments to these groups by only selecting projects where these groups will compete with each other. On procurement for Township Enterprises Revitalisation (TER), the target of 30% was also not achieved due to low response from this group. This then means that mandatory sub-contracting should be enforced, especially where the project takes place in a township area.

The Department's senior management has denounced fruitless and wasteful expenditure by ensuring that it is written off. The writing-off has resulted in a 100% reduction compared with the prior year's fruitless and wasteful expenditure, thus over-achieving the 30% reduction. Another notable achievement recorded by the Department is the 100% reduction in the number of material findings on audit of predetermined objectives.

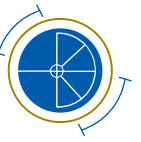
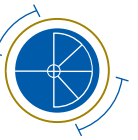


Table 2.4.4.1: Report against originally-tabled Annual Performance Plan until date of re-tabling

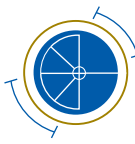
Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until date of re-tabling	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
4. Increased contribution of infrastructure spent to socio-economic development	4.3. Contractor Development Programme (CDP)	4.3.1. Number of participants in the Contractor Development Programme (CDP)	20	20	20	12	-8	The target for the indicator had been met at the time the APP was revised.	The indicator needed to be revised to specify that it relates to emerging black firms with an annual target of 50 and not 20.
	4.4. Expand capacity of the State to resource and support SMMEs	4.4.1. Percentage of client departments service providers' invoices settled within 30 days	-	New indicator	75%	41%	-34%	Late transfer of funds from client departments has resulted in the delay of payments to service providers.	This indicator is not measured in the revised APP as progress on it is not within control of DID.

Table 2.4.4.2: Report against the re-tabled Annual Performance Plan

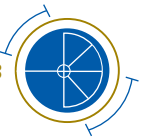
Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
4. Increased contribution of infrastructure spent to socio-economic development	4.1.1 Procurement spend on target groups	4.1.1.1. Percentage of procurement allocated to black-owned enterprises	75.10%	97.36%	82%	94.98%	12.98%	Most of the contractors on the maintenance panel are black owned.	
		4.1.1.2. Percentage of procurement allocated to black women-owned enterprises	36.26%	44.30%	32%	42.18%	10.18%	A good proportion of firms appointed via maintenance panel and quotation process are owned by black women.	



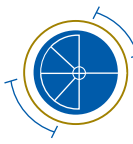
Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
		4.1.3. Percentage of procurement allocated to people with disabilities-owned enterprises	0.92%	0.99%	3%	1%	-2%	The number contractors with PwD ownership registered on maintenance panel where most appointments were made from is as follows: Four (4) contracts for appointments between April and November 2022 and six (6) contractors for appointments made for the remaining months of financial year. This then meant there was a significantly lower number of contractors available to appoint in comparison to other targeted groups such as black women.	
		4.1.4. Percentage of procurement allocated to youth-owned enterprises	4.06%	10.13%	22%	19.37%	-2,63%	Noting that most appointments were through the quotation and maintenance panel, contribution to the youth designated group was not sufficient to meet the set target.	



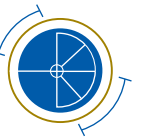
Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
		4.1.5. Percentage of procurement allocated to MV-owned enterprises	0.25%	0.52%	2%	0,72%	-1,28%	There is a significantly low number of firms on the maintenance panel, hence limiting the appointments made to this targeted group.	
		4.1.6. Percentage of procurement allocated to small, medium, and micro enterprises (SMMEs)	39.87%	44.56%	50%	96,84%	46.84%	Most firms on the maintenance panel and through the quotation process fall within this category.	
		4.1.7. Percentage of procurement allocated to Township Enterprise Revitalisation (TER)	8.42%	7.19%	30%	29,70%	0,3%	Many companies/ suppliers are based in urban areas and not townships.	



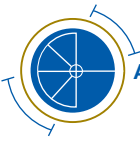
Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
	4.2. Emerging black firms empowered through sub-contracting	4.2.1. Number of emerging black firms empowered through sub-contracting per annum, of which 40% are women-owned and 30% are youth-owned	0%	*127 Women: 45 Youth: 15	100 Women: 40% Youth: 30%	229 Women: 38% Youth: 19%	129 Women: 2% Youth: 11%	The target on the number of emerging black firms empowered is achieved. However, due to insufficient women and youth-owned firms' representation from the maintenance database with CIDB range 1 to 5, the target of 40% and 30% on selected categories could not be met.	
	4.3. Emerging Black Firms empowered through Contractor Development Programme (CDP)	4.3.1. Number of Emerging Black Contractors empowered through the Contractor Development Programme (CDP)	-	New indicator	50	53	3	Over achievement arose from the 2021/22 financial year's backlog of contractors who could not be allocated projects.	



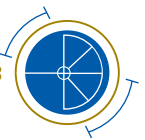
Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
4.4. Expand capacity of the State to resource and support SMMEs	4.4.1. Percentage of DID service providers invoices settled within 30 days	New indicator	-	New indicator	100%	85%	-15%	Under achievement of this indicator is because: - Migration processes of Departments banking services from FNB to Standard Bank; - Late transfer of funds from client departments; and - Late approval of the Goods Received Vouchers by business units.	
			6.1. Financial management and internal controls	6.1.1. AGSA opinion on the audit of financial statements	Unqualified with findings	Unqualified, with a reduction in recurring findings	Unqualified audit opinion with increased findings	Unqualified, with a reduction in recurring findings	Over and above the recurring findings, were new findings identified by AG which had led to such an increase.
6. Capable, ethical, and developmental organisation	6.1.2. Percentage reduction in prior year fruitless and wasteful expenditure	No fruitless and wasteful expenditure was incurred in the current year to day	99% reduction on prior year	No fruitless and wasteful expenditure was incurred in the current year to day	30% reduction on prior year	100% reduction in prior year fruitless and wasteful expenditure	70%	Fruitless and wasteful expenditure has been written off.	
			6.1.1. AGSA opinion on the audit of financial statements	Unqualified with findings	Unqualified, with a reduction in recurring findings	Unqualified audit opinion with increased findings	Unqualified, with a reduction in recurring findings	Over and above the recurring findings, were new findings identified by AG which had led to such an increase.	



Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
		6.1.3. Percentage reduction in prior year accruals (excluding rates and taxes)	71% reduction on prior year	Increase in accrual balance by 62% from R65.5m to R106m	30% reduction on prior year	14,8% increase in prior year accruals	-44,8%	There was an under achievement with this indicator as there was no reduction in prior year accruals.
		6.1.4. Percentage reduction in prior year irregular expenditure	58% reduction on prior year	0% reduction in prior year irregular expenditure	30% reduction	70% Decrease in prior year irregular expenditure	40%	There was an under achievement with this indicator as there was no reduction in prior year irregular expenditure.
		6.1.5. Percentage year-on-year reduction in the number of material findings on audit of predetermined objectives	67% reduction on prior year	100% reduction in the number of material findings on performance objectives	30% reduction	100% reduction in the number of material findings on audit of predetermined objectives	70%	Improved controls in evidence collection, validation and reporting which led to a favourable outcome on the audit of pre-determined objectives.



Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
	6.2. ICT Governance	6.2.1. Percentage implementation of the milestones of the approved ICT Strategy	-	New indicator	75%	75%	0%	No deviation	



Linking performance with budgets

The Department report on how expenditure contributed to the achievement of outputs. Programme 1 consists mainly of procurement targets as set in the annual performance plan. The annual performance plan has shown an improvement in procurement spending on firms owned by blacks, women, and small, medium, and micro enterprises.

Sub-programme expenditure

Sub-Programme Name	2022/2023			2021/2022		
	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
MEC Office	13 239	11 864	1 375	12 862	12 747	115
Corporate Support	454 939	426 762	28 177	400 964	377 430	23 534
Management of the Department	11 060	9 763	1 297	16 833	13 464	3 370
Total	479 238	448 389	30 849	430 659	403 641	27 018

Strategy to overcome areas of underperformance

The Department's Supply Chain Management directorate is working to ensure that procurement for the targeted group and enterprises is prioritised through the maintenance panel and through the quotation process and that the groups and enterprises fall within this category. To maintain the favourable audit findings, the Department has established governance structures such as the AG War Room that sits weekly to address all matters related to the financial and non-financial audit performance are resolved prior the actual audit. This structure is also tasked with the responsibility to identify and prevent any risks associated with the audit processes and outcomes.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

During the 2022/23 financial year, there were no Standardised indicators.

4.2. Programme 2: Public Works

The purpose of the Public Works Programme is to provide the core services that are mandated to the Department. This includes planning, design and construction of infrastructure projects, the implementation of maintenance projects, property management (immovable asset management) and facilities management, and the provision of infrastructure research, policy, and systems.

Within the GPG, the DID has been delegated by EXCO as the sole implementer of infrastructure and maintenance projects on behalf of all GPG departments. Maintenance projects include renovations, refurbishments, and upgrades. In the case of the Gauteng Department of Health, it also includes the implementation of day-to-day, routine/preventative and emergency maintenance at all health facilities in the province, except for Jubilee Hospital and Odi Hospital that are maintained by the provincial Department of Health.

The DID manages the construction procurement projects for provincial departments and issues framework/term contracts for day-to-day, routine/preventative maintenance when required, for all provincial departments. This also includes the

maintenance and estate management services provided for shared offices, the Premier's residence and offices used by the DID itself. The Department also uses immovable assets for its own functioning. The Programme is also responsible for managing the immovable assets of the GPG as the provincial custodian. It manages and plans for effective and efficient utilisation of immovable assets, management of leases, estates, and payment of creditors for allocated areas, management of acquisition and disposal of immovable properties, and facilitation of property development.

The Public Works Programme covers the work of the following sub-programmes:

Sub-programme	Purpose
Health Infrastructure, Maintenance and Technical Portfolio Support Branch	To provide infrastructure planning, design and construction management, maintenance, and technical support services for health facilities in the province.
Education and General Provincial Government Building Infrastructure, Maintenance and Technical Portfolio Support Branch	To provide infrastructure planning, design and construction management, maintenance, and technical support services for education; sports, arts, culture, and recreation; roads and transport; agriculture and rural development; social development and the DID's facilities in the province.
Property Management Chief Directorate	To manage the property portfolio of the province; to establish and manage the provincial strategic and infrastructure plan; to provide accommodation for all provincial departments and other institutions; to acquire and dispose of accommodation in terms of the plan and in terms of the Land Administration Acts, 1998, which entails: <ul style="list-style-type: none"> • Acquiring and disposal of properties; • Lease administration; • Revenue generation; • Management of the asset registers; • Monitor the utilisation of Provincial Government facilities; and • Management of payment of all utilities.
Infrastructure Research, Policy, and Systems	To manage infrastructure research, longer-term Infrastructure planning and projects, programme and portfolio management of systems and standards.

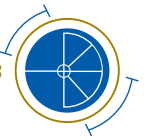
List of institutional outcomes that Programme 2 contributes towards:

Outcome 1: Optimised public-owned fixed property portfolio

Outcome 2: Efficient and effective delivery of SMART public infrastructure

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Through the above outcomes on property optimisation and the efficient and effective public infrastructure delivery, the Department contributes positively to social and economic development. This is crucial as the achievement of targets can be viewed through the lens of delivering social and economic justice to our people. The Department, through its mandate, places an emphasis on the implementation of infrastructure and maintenance projects on behalf of all Gauteng Provincial Government Departments. Maintenance projects include assessments, routine and planned maintenance, renovations, refurbishments, and upgrades. The department prides itself on its capabilities in delivering modern and state-of-the-art infrastructure projects and appropriately managing the asset register.

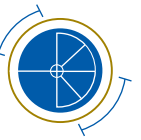


Through infrastructure delivery, the Department completed a total of 14 infrastructure projects. These include the construction of new structures, renovations of existing ones and electromechanical works. Some of the projects completed include the renovations at Laerskool Wierdapark, Laerskool Wonderboom Suid, Ebomini Primary School, Transoranje LSEN School, and Lakeside Primary School on behalf of the Department of Education. On behalf Health, the Department completed the supply, installation of the diesel tank for the generator at the Tshwane District Pharmacy and Phedisong Clinic, constructed a new clinic at Finetown and Mandisa Shiceka CDC. It also did design, engineering, and other works at Sebokeng Zone 17. Condition assessments were also conducted at 30 facilities, 22 conducted by internal experts whilst eight (8) were done internally.

Illegal occupations of GPG land and buildings continues to present a problem. One of SOPA's commitments is to ramp up efforts to deal with the issue. The Department is in a process of implementing measures to address the illegal occupation of state properties through the deployment of safety officers, the implementation of a rapid response plan, the compilation of a database for vulnerable properties, security interventions, regular land audits and community awareness campaigns. The department managed to verify a total of 8 336 assets in the immovable asset register and 13 properties disposed and transferred to third parties.

Table 2.4.4.3: Report against originally tabled Annual Performance Plan until date of re-tabling

Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until date of re-tabling	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
1. Optimised public owned fixed property portfolio	1.2. Non-core properties (residential) disposed	1.2.1.*Number of non-core properties disposed of	0	5	20	0	-20	Indicator was scheduled to be reported on in the latter part of the year.	The indicator was revised based on the audit recommendation to draw a distinction between properties sold and those transferred to buyers.
Efficient and effective delivery of smart public infrastructure	Delivery of Solar PV Green Agenda projects	Green Agenda projects delivered in accordance with the PPP processes	Indicator not measured in the financial year	-	TAll approval from NT and achieve financial close (PPP Contract)	Revised feasibility was completed but not submitted to National Treasury for TA1 approval	TAll Approval from NT and achieve financial close (PPP Contract)	The project has been halted by the Department of Health, with the PPP process cancelled by DOH, indicating they will self-fund the project.	The project has been halted by the Department of Health, with the PPP process cancelled by DOH, indicating they will self-fund the project.



Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until date of re-tabling	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Capable, ethical, and developmental organisation	GPG Public Infrastructure Nerve Centre (Centre of Excellence) established	Approved concept document on the establishment of fully functional GPG Public Infrastructure Nerve Centre	Concept document and design approved	-	Approved design concept	-	Approved design concept	Indicator was scheduled to be reported on in the latter part of the year.	The output indicator was cascaded down to the Operational Plan.

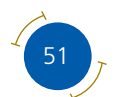
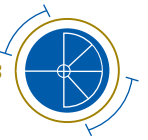
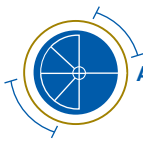


Table 2.4.4.4: Report against the re-tabled Annual Performance Plan

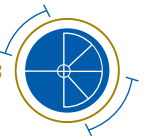
Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	** Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
1. Optimised public-owned fixed property portfolio	1.1. Property revenue and costs management	1.1.1. Rand value of revenue collected from GPG property portfolio (disposals and leases)	R16 245 383,54	R16.8m	R31m	R35.7m	R4.7m	Reasons for over achievement is due to sale of non-core and non-strategic properties.	
		1.1.2. Rand value of municipal rates and taxes paid	R1 089 926 715,19	R1 025b	R1,177b	R1, 033b	-R143,6m	All accounts confirmed accounts with municipalities were fully paid, and there were no outstanding accounts. Savings is due to credits allocations done by municipalities.	
	1.2. Non-core properties (residential) disposed	1.2.1.*Number of properties transferred to the third parties	-	New indicator	20	13	-7	Delays due to internal administrative issues between the conveyancers and municipalities in transferring the seven properties sold to third parties.	
	1.3. Land and buildings released for development or commercialisation	1.3.1. Number of properties released for socio-economic infrastructure development	3	6	6	6	None	No deviation	



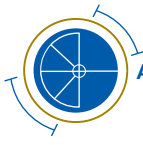
Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	** Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
		1.3.2. Number of GPG properties commercialised per annum	-	-	1	0	-1	<p>Portion 5 of the Farm Rietkuil 554 IQ, (former Ramolelle School) was earmarked to be released to the market on a long-term land lease within the 2021/2022 FY.</p> <p>However, during stakeholder engagement sessions with both Emfuleni Local Municipality and Sedibeng District Municipality several concerns were raised which resulted in the department having to review the market release of the property to align itself with the spatial vision of both municipalities, where the proposed Reitkuil Precinct Plan and land use by-laws had to be considered.</p>



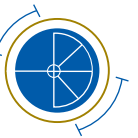
Programme / Sub-programme:							
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	** Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023
	1.4. Provision of office accommodation to user departments	1.4.1 *No. of Facilities provided to user departments	-	New Indicator	8	11	3
							<p>The considerations resulted in the department having to review its Terms of Reference (Request for Proposals) and align all land use and development processes with the envisaged vision for the larger Rietkuil - area.</p> <p>The review process led to the delay in the delivery of the project.</p> <p>Over achievement is due to the following reasons:</p> <ul style="list-style-type: none"> • DARD Bronkhorstspuit was a shortfall from the 2021/22 financial and was concluded in the year under review. • There was also a short-term lease entered between DID and DARD to procure office accommodation. • Request from DSD to procure the space which was not part of planning.



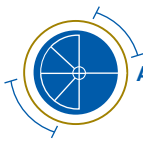
Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	** Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
		1.4.1.*Number of utilisation inspections conducted for office accommodation	-	4	4	4	None	No deviation	
	1.5. Compliant Immovable Asset Register (IAR) produced	1.5.1. Number of immovable assets verified in the Immovable Asset Register (IAR)	7045	8 296	6 579	8 336	1 757	There are new additions due to 31 542 withdrawal DHS - 23 new additions: other vesting categories - 1703 – (Q1 = 1693 and Q4 = 10) assets: DRT Section 42 transfer process has not been concluded and these assets are part of the IAR population which will audited in the AFS.	
		1.5.2. Number of immovable assets transferred from the Immovable Asset Register (IAR)	-	New indicator	1 700	0	-1 700	Review of supporting documents by the receiving custodian is delayed due to capacity constraints	
2. Efficient and effective delivery of smart public infrastructure	2.1. Design of infrastructure projects	2.1.1. Number of Infrastructure designs ready for tender (IDMS Gate 4):	33	4	22	11	-10	-	



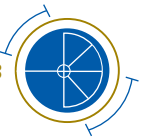
Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	** Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
		Education	19	-	12	11	-1	Rodney Mokoena is ready for tender. However, the final processing by SCM took longer than anticipated.	
		Health	12	2	3	0	-3	Projects under Health were not ready for tender. Dewagendrift EMS and Tembisa Bulk store: Delayed by clients' approval of PEPs.	
		STARS	2	2	7	0	-7	Khutsong South Clinic: Project not ready for tender due to delays from the client to confirm funds and infrastructure procurement approval. The following facilities were not ready for tender, however, Stage 2 is currently underway for MH Joosub Multi facility, Bertha Gxowa, Wedela Primary, Rekopantse Primary and Geluksdal Multipurpose.	



Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	** Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
								<p>However, the conclusion of this stage has been delayed by the late approval of the Stage 1 report which was submitted in April 2022 and was only approved in July 2022. Consequently, payment of Stage 1 fees was delayed and were only paid in December 2022. During that period, the professional service provider did not perform Stage 2 work and only commenced in January 2023 after the payment that was confirmed in December 2022.</p> <p>Sharpeville ECD and Aged Day Care: The project programming and planning was impacted by the administrative delay in finalising the land donation from Emfuleni Local Municipality to GPG. Hence town planning plans could</p>

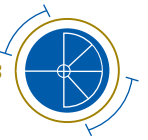


Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	** Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
								not be submitted to municipality for approval until the ownership of land was resolved.
								56 Eloff Street: The project went out on tender and there was no successful bidder. The project is in the process of being readvertised.
	2.2. Construction of infrastructure projects	2.2.1.*Number of new (Educational, Health and STARS) construction projects completed	18	6	13	8	-5	
		Education	11	2	1	0	-1	Braamfischer Primary School: Not completed due to late removal of mobile classrooms by the client.

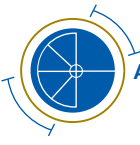


Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	** Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
		Health	3	3	12	8	-4	Randfontein CHC: Contractor is experiencing cash flow challenges. Delays in approval of EOT submission to BAC.	
								Edenvale Laundry: The project was not completed due to late delivery of equipment.	
								Kekanastand Clinic: Not completed due to cashflow challenges and outstanding approval and CE.	
								Boikhutsong CDC: Project not completed due to delays in approval of compensation relating to additional works, extension of time, as well as town planning issues.	
		STARS	4	1	-	-	-		
		2.2.*Number of facilities refurbished / renovated	-	6	11	6	-5		
		Education		5	5	5	None	No deviation	

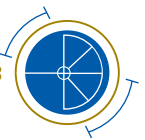
Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	** Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations
		Health	-	-	2	0	-2	Helen Joseph Nurse's residence and Chris Hani Baragwanath Academic Hospital Emergency: Delays on the approval of the CEs. The branch has resubmitted the CEs on the critical path to BAC for approval. The directive to discontinue CEs has had an impact on all the CEs submitted to BAC for approval.
		STARS	-	1	4	1	-3	Thusanong OHS and 75 Fox OHS: There was a withdrawal of services of PSP and poor performance of contractors. 75 Fox Cladding: Could not be renovated due to re-tendering as evaluation could not be concluded. This had then caused the delay in the appointment of the PSPs.



Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	** Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
3.Functional, reliable, and compliant infrastructure	3.1. Comprehensive maintenance programme	3.1.1. Number of condition assessments conducted on state-owned buildings	45	4	27	30	3	-	
			STARS	41	-	19	22	3	Over achievement was due to revision of cost model that enabled assessments on more facilities.
		Health Infrastructure	4	4	8	8	None	No deviation	
		3.1.2. Number of planned maintenance projects awarded	89	106	138	140	2	-	
			Health	59	60	90	90	None	No deviation
		STARS	30	46	48	50	2	Overachievement is due to shortened appointment period (awards) from 12 to five months and that resulted to more appointments than planned.	
		3.1.2. Number of Planned Maintenance Projects completed	45	80	127	133	4		
			Health	15	40	80	80	0	No deviation



Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	** Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
		STARS	30	40	47	53	4	More contract appointments made to address demand driven on projects completion.	
6.Capable, ethical, and developmental organisation	6.5. Research, Diagnostic and Benchmark report produced on DID's Infrastructure Delivery Timelines (Time) and Costs (Cost)	6.5.1. Quality Research, Diagnostic and Benchmark report produced on DID's Infrastructure Delivery Timelines (Time) and Costs (Cost)	-	New Indicator	Quality research, diagnostic and benchmark research report produced	Research, Diagnostic and Benchmark Research Report produced	None	No deviation	



Linking Performance With Budgets

The Department's report on how expenditure contributed to achievement of outputs. For the year under review, Public Works Infrastructure has spent about 98% of the budget allocation.

Sub-Programme Expenditure

Sub-Programme Name	2022/2023			2021/2022		
	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
Construction	227 965	227 576	389	225 347	196 170	29 177
Maintenance	700 036	692 190	7 846	666 095	673 474	(7 379)
Immovable Asset Management	1 798 376	1 750 796	47 580	1 760 144	1 760 131	13
Total	2 726 377	2 670 562	55 815	2 651 586	2 629 775	21 811

Strategy to Overcome Areas of Underperformance

As part of the strategies to address underperformance, particularly the completion of infrastructure projects outside the stipulated timeframe, the department is continuously engaging with the stakeholders, i.e., Health, Education and STARS, to emphasise the importance of not amending the projects' scope, as this requires additional work, which ultimately impacts on the completion of projects on time. The challenges of poor performance of contractors are also being addressed by the termination of contracts and issuing of warning letters. The oversight visits by the executive management have been introduced as part of the plan to improve performance, speed-up infrastructure delivery, and address any challenges that might arise during the projects' construction. The illegal occupation of government properties is dealt with through legal processes, which include eviction notices.

Performance in Relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

During the 2022/23 financial year, there were no standardised indicators.

4.3. Programme 3: Expanded Public Works Programme (EPWP)

The purpose of the Expanded Public Works Programme (EPWP) is to coordinate the implementation of programmes and strategies that lead to the development and empowerment of communities and develop strategies to promote enterprise development. This encompasses the provincial coordination of the EPWP. The EPWP is a nation-wide programme aimed at the reorientation of the public sector spending in favour of projects that create more work opportunities. Provincial departments and municipalities are, therefore, required to assume responsibility of planning, design, and implementation of job creation initiatives within their departments and municipalities. Reporting of job creation on the EPWP reporting system and all budgetary and project management principles therefore remains the responsibility of each reporting body.

List of institutional outcomes that Programme 3 contributes towards:

Outcome 5: Poverty relief and improved employability of programme beneficiaries

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

During the reporting period 2022/23 financial year, the Department, through its EPWP branch, continues to coordinate relevant sectors reporting on EPWP to improve the reporting on public bodies. The Department through the National Department of Public Works and Infrastructure (NDPWI) utilises the ERS – which is an electronic system for capturing and reporting EPWP data.

As an implementing Public Body, the Department aimed to create 2 500 work opportunities in the 2022/23 financial year. However, a total of 2 398 work opportunities were recorded against the target of 2 500, representing a 96% achievement.

The Department set a target of 22 for the number of Public Bodies reporting on EPWP targets in the province and the 22 was achieved as planned. Gauteng Online also contributed to the EPWP Infrastructure Sector by reporting five (5) work opportunities, even though it is not an EPWP implementing Department.

Through the projects active during the year under review, there were skills development programmes relating to various training and employment of EPWP participants. On the creation of work opportunities, the province managed to record a total of 80 528 work opportunities. This is represented by 33 211 work opportunities in Provincial Departments and 47 317 work opportunities for Municipalities.

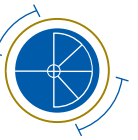
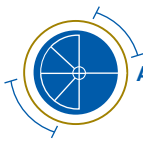


Table 2.4.4-5: Report on the originally-tabled Annual Performance Plan until date of re-tabling

Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until date of re-tabling	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
5. Poverty relief and improved employability of programme beneficiaries	5.1. Coordination of the reporting of EPWP work opportunities by GPG Departments	5.1.1. Number of EPWP work opportunities reported by the infrastructure sector in Gauteng (GPG)	0	1 221	2 1 283	3 640	-17 643	Reporting of non-EPWP Infrastructure Grants and Equitable Share Projects remains a challenge. Procurement challenges: Delays in awarding of tenders, leading to late recruitment and implementation.	The department plays the coordinating role in sectoral work opportunities created within the province. However, the source documents in support of job statistics reported remains in custody of public bodies. These indicators are measured in the departmental Operational Plans with the aim to improve on developing the framework for proper assessment.
		5.1.2. Number of EPWP work opportunities reported by the social sector in Gauteng	0	24 317	22 463	17 888	-4 575	Sector implemented more projects during the financial year and reporting all work opportunities created.	



Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	*Actual Achievement 2022/2023 until date of re-tabling	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
		5.1.3. Number of EPWP work opportunities reported by the environment sector in Gauteng	0	2 632	1 552	966	-586	Data collection drive increased hence more work opportunities are reported.	
		5.2.1. Number of EPWP work opportunities reported by Gauteng Municipalities	1 625	35 722	55 001	17 283	-37 718	Reporting of non-EPWP Infrastructure Grants and Equitable Share Projects remains a challenge.	
	5.2. Coordination of the reporting of EPWP work opportunities by GPG municipalities							Insufficient funds from equitable share hence reliance on EPWP grants.	

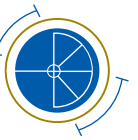


Table 2.4.4.6: Report on the re-tabled Annual Performance Plan

Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Reasons for deviations	
5. Expanded Public Works Programme	5.1. Implementation of EPWP programme for Provincial Public Works (DID)	5.1.1. Number of work opportunities created by Provincial Public Works	-	2 630	2 500	2 397	-103	A total of 102 participants left the programme due to attrition.	
Disclosure Note: Output for work opportunities has been adjusted from 2 398 to 2 397 as part of audit adjustments.									
	5.2. Coordination of Public Bodies implementing EPWP in the Province	5.2.1. *Number of Public Bodies reporting on EPWP targets in the province the value of the indicator to the province	-	-	22	22	-	No deviation	
	5.3. Skills development of EPWP beneficiaries	5.3.1. Number of EPWP participants successfully completed skills development programmes	0	1 950	2 500	1 907	593	As learners resign or obtain employment elsewhere etc, new learners are brought in who might be placed in a different service, such as, a technical candidate recruited instead of admin replacement. This increases learners in Technical Training	
Disclosure Note: Output for training has been adjusted from 1 909 to 1 907 as part of audit adjustments.									

Linking Performance With Budgets

For the year under review, the Expanded Public Works Programme spent approximately 52% of budget allocation.

Sub-programme expenditure

Sub- Programme Name	2022/2023			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	29 445	29 103	342	25 828	20 276	5 552
Community Development	120 175	94 427	25 748	140 947	122 717	18 230
Total	149 620	123 530	26 090	166 775	142 993	23 782

Strategy to Overcome Areas of Underperformance

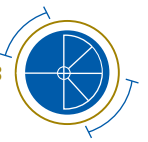
As part of strategies to address underperformance, the Department is emphasising the use of the electronic reporting system to enable validity, reliability, and accuracy of the reported data. This is inclusive of work opportunities created and skills development programme and public bodies reporting on EPWP targets.

Performance in Relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

During the 2022/23 financial year, there were no standardised indicators.

6. TRANSFER PAYMENTS

There were no transfer payments made by the department.



7. CONDITIONAL GRANTS

The Department has paid no conditional grants during the year.

7.1 Conditional Grants and Earmarked Funds Received

The table below details the conditional grants and earmarked funds received during for the period 1 April 2022 to 31 March 2023.

Conditional Grants

Department who transferred the grant	National Public Works
Purpose of the grant	Incentive funding to create additional work opportunities
Expected outputs of the grant	To alleviate unemployment and to create more work opportunities for 2 500 participants
Actual outputs achieved	2 398
Amount per amended DORA	R6 768 000
Amount received (R'000)	R6 768
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R6 768
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Monitoring is done by a team of coordinators who are placed on different corridors and sites. On a monthly basis, attendance registers are submitted as proof of attendance, IYM submission and quarterly evaluation reports.



8. DONOR FUNDS

Information on donor funds is not applicable for the department.

9. CAPITAL INVESTMENT

9.1. Capital Investment, Maintenance, and Asset Management Plan

Capital investment, maintenance, and asset management plan

Infrastructure projects	2022/2023			2021/2022		
	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	-	-	-	-	-	-
Existing infrastructure assets	97 212	95 669	1 543	112 860	67 576	45 284
Upgrades and additions	-	-	-	-	-	-
Rehabilitation, renovations, and refurbishments	14 260	13 887	373	50 415	10 143	40 272
Maintenance and repairs	82 952	81 782	1 170	62 445	57 433	5 012
Infrastructure transfer						
Current	82 952	81 782	1 170	62 445	57 433	5 012
Capital	14 260	13 887	373	50 415	10 143	40 272
Total	97 212	95 669	1 543	112 860	67 576	45 284



EPWP

15M²

8M²

4M²

1500

800

800

900

3000

3000

5150

400

1000

1400

2020

200

80

570

800

1100

710

1400

1450

2020

1450

50

80

80

80

80

80

80

80

80

80

80

80

80

1400

1100

900

250

900

590

3400



15M²

1100
900
250

8M²

18M²

1550

4120

3000

5150

3000

3000

3000

400





Part | **C**
Governance

1. INTRODUCTION

The Department's commitment to maintain the highest standards of governance is fundamental to the management of public finances and resources. The DID has good governance structures in place to utilise the state resources effectively, efficiently, and economically.

2. RISK MANAGEMENT

The Department has an approved Enterprise Risk Management Framework, which is supported by an approved Enterprise Risk Management Policy. During the year under review, Strategic Risk Assessment and Control Risk Self-Assessments (Operational Risk Assessments) for all functions were conducted with progress on implementation of proposed mitigation actions tracked weekly through a war room. The results are reported monthly to the Senior Management Meeting chaired by the HOD, and the Executive Management Meeting chaired by the MEC and quarterly to oversight bodies such Risk Management Committee and Audit Committee – both chaired by independent people.

In promoting good governance, the Risk Management Operational Committee is operational and is chaired by an independent non-executive chairperson. The Committee has met in all four quarters and is governed by an approved Terms of Reference. The Committee provides oversight on Governance Assurance and advises the HOD on the effectiveness of Risk Management. The Audit Committee meets quarterly to discuss quarterly reports by the Department. The Risk Management Report is one of the reports that are submitted to the Audit Committee for discussion, deliberation, and reports back on the implementation and effectiveness of Risk Management in the Department. The implementation of Risk Management Action Plans (Mitigating Actions) is monitored through the AGSA and the Risk Management War Room. The implementation of Action Plans assists in enhancing the Department's performance, and where required, additional interventions are drafted and implemented.

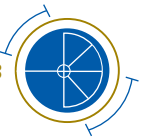
3. FRAUD AND CORRUPTION

The Department has an approved Fraud Prevention Plan containing the Fraud Risk Register. The implementation of Fraud Risk Action Plans is monitored and reported to oversight structures, e.g., Audit Committee.

Mechanisms are in place to report fraud and corruption and how these operate. The need for officials to make confidential disclosure about perceived and/or actual incidents of fraud and corruption is encouraged through mechanisms such as the National Anti-Corruption Hotline (NACH), the Premier's Hotline, etc. Reported cases of perceived and/or actual incidents of fraud and corruption are investigated, and, where required, consequence management is instituted against the transgressors.

4. MINIMISING CONFLICT OF INTEREST

The Department has process in place to identify and manage potential conflicts of interest, including a disclosure through the Financial Disclosure Framework of the senior management service, as required by Chapter 3 of the Public Service Regulations, 1999, as amended. Other safeguards to manage conflict of interest are embedded in other applicable legislations and prescripts across all functions. For example, all officials involved in the supply chain management process are required to recognise and disclose any conflict of interest that may arise during the process. Official doing remunerated work outside public service are required to request approval prior to them conducting such businesses amongst others.



5. CODE OF CONDUCT

It is a requirement for officials in Supply Chain Management to enter into agreements to abide with the code of conduct. The officials are also required to sign the Declaration of Secrecy. The code of conduct is a pledge to perform duties with integrity, covers issues of confidentiality, combating of fraud and corruption.

The Department has adopted code of conduct for public service with the aim of developing a professional Public Service, as envisioned by the National Development Plan and provides direction to employees regarding what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others. Adherence to the Code is non-negotiable as it intended to improve public sector professionalism and credibility. Any violation of the Code of Conduct constitutes misconduct under the Public Service Act (as amended) on the part of the offending employee and hence a preventative, restorative, and disciplinary actions are taken in line the Code of Conduct.

The Code of conduct was presented in the Senior Management meeting and workshops were conducted across the organisation. It is the duty of the employer to make every effort to ensure that all employees are familiar with the Code of Conduct and its provisions. The National Development Plan's vision for a professional Public Service is key to the Code's overarching goal of encouraging good behaviour. However, it should be noted that all workers in the Public Service are responsible for adhering to the stipulated Code of Conduct in accordance with Public Service Co-ordinating Bargaining Council Resolution 2 of 1999. Proactive, corrective, and even punitive action are all grounded on the Code's principal goal of encouraging outstanding behaviour. However, it should also be noted that, per Resolution 2 of the Public Service Co-ordinating Bargaining Council (1999), all public servants are accountable for following the Code of Conduct that has been established for them. All preventative, restorative, and disciplinary measures must be instituted against the breach of the Code by any official required to adhere to it.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Occupational Health and Safety (OHS) compliance is a legislated requirement and is critical for the creation and maintenance of health, safety, and sustainable working environments. The provision of adequate office accommodation that will enable the uninterrupted delivery of services is a high priority. For successful and sustainable OHS compliance to be realised, in line with the OHS Act (Act 85 of 1993), governance structures must be established and functional.

The Department has appointed an external SHERQ Consultant to conduct OHS GAP Analysis Audit. The department receives the reports for each area for actioning and implementation. We are currently developing action plans to implement the recommendations made by the Consultants. Furthermore, we have OHS Officers in each Regional Office to assist with the management of the OHS. We are in a process of establishing an OHS Steering Committee that will be chaired by the HOD to ensure that all recommendations from regional OHS Committees are implemented. The OHS Steering Committee will be responsible for:

- Actioning Minutes and Recommendations from Regional Offices OHS Committees;
- Provide solutions and measures for the identified hazards and risks;
- Ensure that GAP Audit Reports are implemented;
- Make resources available to manage OHS Committee;
- Ensure that all reports are send to Office of the Premier on a quarterly basis;
- Ensure that Reginal OHS Committees convene as and when required;
- Develop and review the departmental Baseline Risk Assessments;



- Ensure that minimal OHS Act requirements are met;
- Discuss and develop SHERQ Policy that must be signed by the Accounting Officer, and
- Appoint senior managers as Chairpersons for Regional OHS Committees

The Department has also completed the training needs analysis for SHE representatives, such as the first aiders, fire fighters and fire evacuation marshals. In addition, the Department has further established the SHE Committees and the meetings are being held in various regional facilities on a quarterly basis. The OHS Committees will be provided with training.

The Department is in the process of conducting Medical Surveillance to ensure that health status of the employees is monitored, and that work-related hazards and risks are eliminated.

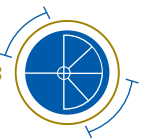
The safeguarding of an Occupational Health and Safety (OHS) environment and the encouragement of a risk-averse culture are key to the department’s mission and operation. The Immovable Asset Management Act stipulates that government agencies must optimise the cost-of-service delivery while also meeting certain environmental, cultural, and historical preservation, and workplace safety standards. Concern for public health and the environment is obvious from the Department’s display of its strategic risk registry. For the past three years, the SRR has included a risk analysis on the dangers to workers, public health and safety issues at all government facilities ranging from offices, schools, to healthcare facilities.

7. PORTFOLIO COMMITTEES

For the 2022/23 financial year, the Department attended the meetings indicated below, as requested by the Infrastructure Portfolio Committee. The Department has managed to respond on time to all questions that were raised by the Portfolio Committee. The Department delegations that attended the meetings were led by the MEC, who was accompanied by the Accounting Officer of the Department and other Executive Managers of the Department.

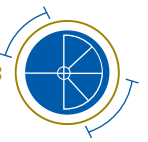
The dates of the Portfolio Committee meetings are outlined below:

DATES OF MEETINGS	PORTFOLIO COMMITTEE	AGENDA ITEMS	DID’S RESPONSE TO AGENDA ITEMS
21 April 2022	Sports, Recreation, Arts and Culture Portfolio Committee	Oversight visits to Akasia and Olievenhoutbosch libraries.	The Department accompanied the Sports, Recreation, Arts and Culture Portfolio Committee to the oversight visit at Akasia and Olievenhoutbosch libraries.
		Oversight visits to Odi Stadium and HM Stadium.	The Department accompanied the Sports, Recreation, Arts and Culture Portfolio Committee to the oversight visit at Odi Stadium.



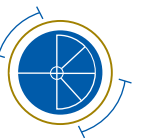
DATES OF MEETINGS	PORTFOLIO COMMITTEE	AGENDA ITEMS	DID'S RESPONSE TO AGENDA ITEMS
28 April 2022	Infrastructure Development Portfolio Committee	AngloGold Ashanti Hospital – West Rand	The Department did a presentation on AngloGold Ashanti Hospital.
		Leratong Hospital – Randfontein	The Department did a presentation on maintenance of Leratong Hospital.
		Heidelberg Hospital – Heidelberg	The Department did a presentation on the maintenance of Heidelberg Hospital.
		Charlotte Maxeke Academic Hospital	The Department did a presentation on the maintenance of Charlotte Maxeke Hospital.
		Chris Hani Baragwanath Hospital – Soweto	The Department did a presentation on the maintenance of Chris Hani Baragwanath Academic Hospital.
		Jubilee Hospital – Tshwane	The Department did a presentation on the maintenance of Jubilee Hospital.
		Jahan Hynes CHC – Vanderbijlpark	The Department did a presentation on the maintenance of Johan Hynes Hospital.
		Kopanong Hospital – Vereeniging	The Department did a presentation on the maintenance and non-payment of the SMMEs by the main contractor at Kopanong Hospital.
		Tembisa Hospital – Tembisa	The Department did a presentation on the maintenance of Tembisa Hospital.
		APP for the 2022/23 Financial Year	The Department did a presentation of the APP for the 2022/23 FY.
5 May 2022	Infrastructure Development Portfolio Committee	Nokuthula LSEN and Noordgesig Primary school	The Department did a presentation of the Nokuthula LSEN and Noordgesig Primary school on the joint meeting with Department of Education.
9 May 2022	Infrastructure Development Portfolio Committee	Kopanong Hospital non-payment of SMME's	The Department did a joint presentation with the Department of Health on the non-payment of SMMEs at Kopanong Hospital.
		Budget Vote-15 for the 2022/23 Financial Year	The Department did a presentation on the Budget Vote-15 for 2022/23 FY.
		AngloGold Ashanti Hospital	The Department did a joint presentation with the Department of Health on AngloGold Ashanti Hospital.

DATES OF MEETINGS	PORTFOLIO COMMITTEE	AGENDA ITEMS	DID'S RESPONSE TO AGENDA ITEMS
13 May 2022	Infrastructure Development Portfolio Committee	Budget Vote-15 for the 2022/23 Financial Year	The Department did a presentation on the Budget Vote-15 for 2022/23 FY.
17 May 2022	Health Portfolio Committee	AngloGold Ashanti Hospital	The Department did a presentation on the AngloGold Ashanti Hospital.
		Kopanong Hospital	The Department did a presentation on the Kopanong Hospital.
		Mandisa Shiceka Clinic (Reason for non-occupation; issue of water)	The Department did a presentation on the Mandisa Shiceka Clinic.
		New Kekana Stad Clinic (Reason for non-occupation; issue of water)	The Department did a presentation on the New Kekana Stad Clinic.
		Old Kekana Stad Clinic (Being delapidated, 12 computers were stolen)	The Department did a presentation on the Old Kekana Stad Clinic.
		Charlotte Maxeke Academic Hospital	The Department did a presentation on the Charlotte Maxeke Hospital.
		Steve Biko Hospital Construction of Nuclear Facility	The Department did a presentation on the Steve Biko Hospital.
		Eric Ndeleni Clinic	The Department did a presentation on the Eric Ndeleni Clinic.
26 May 2022	Infrastructure Portfolio committee	DID 4th Quarter Performance Report of the 2021/22 Financial Year	The Department did a presentation on the 4th Quarter Performance Report of the 2021/22 FY.
		Green Agenda activities	The Department did a presentation of the Green Agenda activities including a clear budget.



DATES OF MEETINGS	PORTFOLIO COMMITTEE	AGENDA ITEMS	DID'S RESPONSE TO AGENDA ITEMS
31 May 2022	Standing Committee on Public Accounts (SCOPA) Portfolio Committee	Follow-up on some of the responses submitted by the Department on the implementation of House resolutions on SCOPA Oversight Report on the Report of AGSA, which were adopted by the Legislature on the 9 December 2021.	The Department provided progress report to the SCOPA Portfolio Committee.
		The Department's assessment of the effectiveness of its plans on the financial management and accountability in the financial year which ended 31 March 2022. The Committee is aware that the audit of the Annual Financial Statements for the period is not yet conducted by the AGSA.	The Department did a presentation to the SCOPA Portfolio Committee.
		Plans by the Department for improved financial management and accountability in the current - 2022/23 financial year.	The Department did a presentation to the SCOPA Portfolio Committee.
3 June 2022	Education Portfolio Committee	Nokuthula LSEN School	The Department did a presentation on the Nokuthula LSEN School.
10 June 2022	Infrastructure Development Portfolio Committee	Non-Payment of SMMEs at Kopanong Hospital Project.	The Department did a joint presentation with the Department of Health on non-payment of SMMEs at Kopanong Hospital.
		Way forward on the donation of the AngloGold Ashanti Hospital to GPG.	The Department did a joint presentation with the Department of Health on AngloGold Ashanti Hospital.
5 August 2022	Infrastructure Development Portfolio Committee	Non-payment of SMMEs at Kopanong Hospital project	The Department did a presentation on the non-payment of SMMEs at Kopanong Hospital project.
4 November 2022	Infrastructure Development Portfolio Committee	Committee Stakeholder Engagement: Empowerment of the SMMEs in the Construction Sector	The Department did a presentation on the empowerment of the SMMEs in the Construction Sector.

DATES OF MEETINGS	PORTFOLIO COMMITTEE	AGENDA ITEMS	DID'S RESPONSE TO AGENDA ITEMS
11 November 2022	Infrastructure Development Portfolio Committee	All projects implemented on behalf of DID Client Departments	The Department did a presentation of all projects implemented on behalf of DID Client Departments.
		Annual Report for the 2021/22 Financial Year	The Department did a presentation of the Annual Report for 2021/22 FY.
		2nd Quarter Report of the 2022/23 Financial Year	The Department did a presentation of the 2nd Quarter Report of 2022/23 FY.
29 November 2022	Oversight Committee on the Premier's Office and the Legislature (OCPOL)	Discussions on the uneconomical use of public funds for the renovation of AngloGold Ashanti Gold Hospital.	<p>The Department attended the meeting and submitted the presentation.</p> <p>The presentation was not presented.</p> <p>The Committee resolved to reschedule the meeting to allow the Department of Health to also be part of the meeting.</p>
30 November 2022	Standing Committee on Public Accounts (SCOPA) Portfolio Committee	SCOPA Public Hearing	SCOPA Portfolio Committee cancelled the Public Hearing.
14 February 2023	Oversight Committee on The Premier's Office and the Legislature (OCPOL)	Discussions on the uneconomical use of public funds for the renovation of AngloGold Ashanti Hospital.	The Department did a presentation on the AngloGold Ashanti Hospital.
16 February 2023	Infrastructure Development Portfolio Committee	Oversight to the Mayibuye clinic project implemented by DID.	The Department accompanied the Portfolio Committee during the site visit to Mayibuye Clinic.
		Presentation by the GDID on the 3rd Quarter Performance Report of the 2022/23 FY.	The Department did a presentation of the 3rd Quarter Performance Report.
		Adjustment Appropriation Bill for the 2022/23 Financial Year.	The Department did a presentation on the Adjusted Appropriation Bill for the 2022/23 FY.
		Mayibuye Clinic project	The Department did a presentation on the Mayibuye Clinic project.



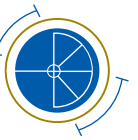
DATES OF MEETINGS	PORTFOLIO COMMITTEE	AGENDA ITEMS	DID'S RESPONSE TO AGENDA ITEMS
17 February 2023	Health Portfolio Committee	Matter of AngloGold Ashanti Hospital.	The Department did a presentation on the AngloGold Ashanti Hospital.
		Status of all unfinished health infrastructure projects.	The Department did a presentation of all unfinished health infrastructure projects.
2 March 2023	Infrastructure Development Portfolio Committee	Oversight visits within JHB CBD buildings.	The Portfolio Committee put on hold the oversight visits.
	Infrastructure Development Portfolio Committee	Presentation on state of properties and vacant land that are illegally occupied.	The Department did a presentation of the state of properties and vacant land that are illegally occupied.
15 March 2023	Infrastructure Development Portfolio Committee	Present the EXCO view on the Expropriation Bill [B 23B – 2020 (s760)].	The Department did a presentation on the Expropriation Bill [B 23B – 2020 (s760)].
	Finance Portfolio Committee	Presentation on its Financial Performance for the 3rd Quarter 2022/23 Financial Year.	The Department did a presentation on the Financial Performance for the 3rd Quarter.
24 March 2023	Infrastructure Development Portfolio Committee	Detailed presentation on the projects experiencing challenges on the projects implemented in each Municipality on behalf of the Client Departments, including all projects implemented at Ekurhuleni,	The Department did a presentation on the projects experiencing challenges on the projects implemented in each Municipality.

8. SCOPA RESOLUTIONS

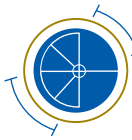
The Standing Committee on Public Accounts (SCOPA) Report on the Auditor-General's Report on the financial statements and performance information of the DID for the year ended 31 March 2023.

Scopa resolutions

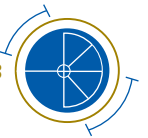
Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
SCOPA RESOLUTIONS EMANATING FROM THE REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG LEGISLATURE ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT FOR THE YEAR ENDED 31 MARCH 2021				
1	Significant Uncertainty Relating to Litigation	That the Department must submit a quarterly progress report on the finalisation of the lawsuits reported for the period to 31 March 2020 by 31 January 2022 and a quarterly progress continuing up until finalisation thereof.	The report is attached hereto, Annexure "A".	Yes
2		That the Department must submit a quarterly progress report on the finalisation of the lawsuits reported for the period to 31 March 2020 by 31 January 2022 and a quarterly progress continuing up until finalisation thereof.	Not applicable. The question is the same as question (1) above.	Yes
3		That the Department must investigate alternative measures to reduce the occurrence of lawsuits and submit the plan to the Committee by 31 January 2022.	<p>The Department has implemented the following measures:</p> <ul style="list-style-type: none"> • Utilisation of the Electronic Invoicing System (EIS) system. • Supplier registration and submission of invoices through EIS. • Direct payments by Client Department of Health of service provider invoices on EIS system. • Standard Operating Procedures drafted to streamline payments between DID and Client Departments. • Training sessions have been held on Contract Management being: <ol style="list-style-type: none"> (i) Project Management Webinar on Contracts held on 20 August 2021 dealing with: <ul style="list-style-type: none"> • The role of Contract Management in the successful delivery or failure of infrastructure projects. • Choice of contracts. • Contract disputes. • Performance monitoring and evaluation/poor contractor performance. • Management of poor contractor performance. • Project scope change or variation orders or Compensation Events management. • Late payments of contractors and sub-contractors. (ii) Workshop held on 5 November 2021 for Project Managers on procurement processes and variations, Financial Management Compliance, Contract Management and Project Management Infrastructure Delivery Management System (IDMS) related content. (iii) Integrated Construction Management workshop held on 6 December 2021 with a focus on Construction law principles. 	Yes



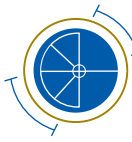
Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)																								
4	Restatement of Prior Year Amounts	That the Department must implement adequate processes to curb restatements of corresponding figures and provide the Committee with a progress report detailing the effectiveness of the processes by 31 January 2022 and a quarterly progress report continuing up until the end of June 2022.	The Department has made a follow up with the Department of Rural Development and Land Reform regarding Item 28 Certificates which confirm vesting of the immovable property in the name of the Department. To date, only five Item 28 Certificates have been confirmed and received and are all vested in 2021/22 Financial Year, consequently these will not result in restatement of an opening balance. The Immovable Asset Register has been duly updated, including disclosure notes on the financial statements.	Yes																								
5	Subsequent Event	That the Department submits a progress report on completion of repairing the fire damage at Charlotte Maxeke Johannesburg Academic Hospital by 31 January 2022 and thereafter every quarter continuing until finalisation thereof.	Please find attached letter regarding restorations of health care services at Charlotte Maxeke Johannesburg Academic Hospital (CMJAH).	Yes																								
6	COVID-19 Expenditure Response	That the Department must provide the Committee with a report detailing procurement of COVID-19 Construction Projects Emergency refurbishment projects by 31 January 2022 and a quarterly progress until June 2022.	Procurement of COVID-19 Construction projects was done through the emergency procurement guide, Treasury No 5 of 2020/21. Progress as at 31st January 2022 is as per the following: <table border="1" data-bbox="869 309 1279 1512"> <thead> <tr> <th>Project</th> <th>ABTs</th> </tr> </thead> <tbody> <tr> <td colspan="2">Progress as at 31st January 2022</td> </tr> <tr> <td colspan="2">ABTs</td> </tr> <tr> <td>Jubilee Hospital</td> <td>Completed</td> </tr> <tr> <td>George Mukhari Hospital</td> <td>Not completed</td> </tr> <tr> <td>Chris Hani Baragwanath Hospital</td> <td>Completed</td> </tr> <tr> <td>Kopanong Hospital</td> <td>Not completed. The client is considering re-purposing the facility hence the planning process is underway. Projected completion date is October 2023.</td> </tr> <tr> <td colspan="2">Refurbishment projects</td> </tr> <tr> <td>Tshwane District Hospital</td> <td>Completed</td> </tr> <tr> <td>Lenasia CHC</td> <td>Completed</td> </tr> <tr> <td>Discoverers</td> <td>Completed</td> </tr> <tr> <td>George Mukhari</td> <td>Not completed, completion date: 15 February 2022</td> </tr> </tbody> </table>	Project	ABTs	Progress as at 31st January 2022		ABTs		Jubilee Hospital	Completed	George Mukhari Hospital	Not completed	Chris Hani Baragwanath Hospital	Completed	Kopanong Hospital	Not completed. The client is considering re-purposing the facility hence the planning process is underway. Projected completion date is October 2023.	Refurbishment projects		Tshwane District Hospital	Completed	Lenasia CHC	Completed	Discoverers	Completed	George Mukhari	Not completed, completion date: 15 February 2022	Yes
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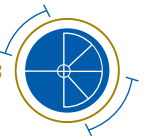
Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)																											
7	Expenditure Management	That the Department must by 31 January 2021 provide its analysis/plan to ensure that it complies with the legislative requirements to pay service providers within 30 days and possibly with 15 days as per the provincial government target.	<p>Analysis of payment of suppliers within 30 days over the past nine (9) months, shows that the Department continues to make progress in pursuit of paying service providers within 30 days. Below is a trend analysis of payment of suppliers over 15 days and 30 days period.</p> <table border="1"> <thead> <tr> <th>Period</th> <th>30 Days-Compliance %</th> <th>15 Days-Compliance %</th> </tr> </thead> <tbody> <tr> <td>Apr-21</td> <td>53%</td> <td>27%</td> </tr> <tr> <td>May-21</td> <td>63%</td> <td>39%</td> </tr> <tr> <td>Jun-21</td> <td>71%</td> <td>40%</td> </tr> <tr> <td>Jul-21</td> <td>76%</td> <td>42%</td> </tr> <tr> <td>Aug-21</td> <td>83%</td> <td>51%</td> </tr> <tr> <td>Sep-21</td> <td>70%</td> <td>36%</td> </tr> <tr> <td>Oct-21</td> <td>83%</td> <td>46%</td> </tr> <tr> <td>Nov-21</td> <td>87%</td> <td>65%</td> </tr> </tbody> </table> <p>In addition, the Department is working closely with Department of Health regarding timeous transfer of funds. The two Departments have developed a Standard Operating Procedure outlining the activities and timing of the payment process. Furthermore, MEC is writing a letter to the MEC for Department of Health to intervene to ensure the transfer of funds to DID timeously.</p> <p>Bilateral engagements were held by DID with other Client Departments in November and December 2021, particularly to emphasise the payment of suppliers within 30 days and possibly within 15 days as per the Provincial Government target.</p>	Period	30 Days-Compliance %	15 Days-Compliance %	Apr-21	53%	27%	May-21	63%	39%	Jun-21	71%	40%	Jul-21	76%	42%	Aug-21	83%	51%	Sep-21	70%	36%	Oct-21	83%	46%	Nov-21	87%	65%	Yes
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8	Procurement and Contract Management	That the Department provides the Committee with a plan put in place to provide adequate oversight over compliance with SCM laws and regulations by 31 January 2022 and, thereafter, its effectiveness every quarter continuing up until the end of June 2022.	<p>ACTIVITIES TO COMPLY WITH THE REGULATIONS</p> <p>The Department will leverage on the work of probity auditors to improve compliance with prescripts. The probity auditors sit in both the Specifications and Bid Evaluation Committees to check compliance and issue report to BAC with a recommendation.</p> <p>Improvement of review mechanism before award.</p> <p>Ensure that all emergency procurements are submitted to BAC before submission to the Accounting Officer for approval.</p> <p>Development of Emergency Procurement Policy</p> <p>Ensure that there is a standing invitation for Client Departments to participate in the bidding process of Client Departments' projects.</p>	Yes																											
			<p>PLAN TO IMPROVE COMPLIANCE</p> <p>All projects above R2 million are subjected to probity auditors process for compliance and quality check. A probity report is issued to be tabled at BAC</p> <p>All findings raised by probity auditors are resolved before projects are tabled before the BAC.</p> <p>All emergency procurement projects are tabled at BAC for Accounting Officers approval. The process started on 30 September 2021 with the following projects: Charlotte Maxeke propping project, and Charlotte Maxeke remedial work for fire.</p> <p>Emergency policy is submitted to the policy unit for review and submission to the HOD for approval. Waiting for approval of the emergency policy by the Accounting Officer.</p> <p>Client Departments are invited for all projects above R2 million.</p>																												



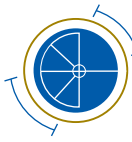
Resolution No.	Subject	Details	Response by the department						Resolved (Yes/No)
9	Consequence Management	That the Department must provide the Committee with a report detailing the status of the various investigations regarding the irregular expenditure and disciplinary steps taken against officials and provides the Committee with a progress report by 31 January 2022 and thereafter every quarter continuing up until the end of June 2022.	List of Irregular Expenditure Investigations for the 2021/22 Financial Year.						Yes
			No.	Case Number	Details of the Allegation	Date Allegation Received	Investigation Commenced	Investigation Completed	Status of Investigation (Planning, Execution, Reporting/ Finalised)
			1.	1/4/2021	Allegation of Irregular Expenditure for Mayibuye Primary School.	29/03/2021	Not applicable	Yes	Investigation concluded and the report was submitted to HOD for approval.
			2.	2/4/2021	Investigation report into deviation in response to pandemic not reported to Treasury timeously and procurement made without approval by the Accounting Officer.		Not applicable	Yes	Investigation finalised and approved by HOD. Investigation report referred to Labour Relations Directorate for implementation of recommendations (To institute the disciplinary hearing). Labour Relations is in the process of implementing the recommendations.
			3.	3/4/2021	Request for the approval for the compensation event at Chokoe Primary School.	16/04/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.
			4.	1/5/2021	Investigation into allegations of irregular expenditure at Turbine Hall.	18/05/2021	Not applicable	Yes	Investigation finalised and approved by HOD. Investigation report referred to Labour Relations Directorate for implementation of recommendations (to institute the disciplinary hearing). Labour Relations is in the process of implementing the recommendations.



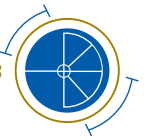
Resolution No.	Subject	Details	Response by the department			Resolved (Yes/No)	
5.		3/5/2021	Allegation of irregular financial expenditure due to extension of project scope regarding upgrade, entire electrical reticulation at Westrand Clinics projects.	24/5/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.
6.		1/6/2021	Investigation of Rebohis Property Fund.	3/6/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.
7.		2/6/2021	Investigation of ex post facto approval to enter into a second addendum for the Department of Community Safety at no. 64 Pritchard Street.	4/6/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.
8.		1/7/2021	Investigation at Tlhokomelo Primary School.	20/7/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.
9.		2/7/2021	Investigation at Charlotte Maxeke SCM, Procurement of Contractor and PSP.	20/7/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.



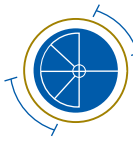
Resolution No.	Subject	Details	Response by the department			Resolved (Yes/No)		
10.			2/8/2021	Investigation on compensation event no.2 at Bafikile Primary School.	5/8/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.
11.			4/8/2021	Investigation into allegations of compensation event no. 12 at New Kekanastad Clinic.	10/8/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.
12.			5/8/2021	Investigation into allegations of request for approval for compensation event no.1 extension of contract period with cost for Felicitas LSEN School.	10/8/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.
13.			6/8/2021	Investigation into allegations of request for approval for compensation event no.2 ex post facto with cost from project savings due to Covid-19 compliance requirements at Dr Harry Secondary School.	25/8/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.



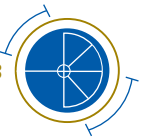
Resolution No.	Subject	Details	Response by the department				Resolved (Yes/No)
14.	1/9/2021	Investigation into allegations of request to pay outstanding rental in respect of no.11 Diagonal and Game Building.	2/9/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.	
15.	2/9/2021	Investigation into allegations of proposed termination of contract for Dolmen Engineers (Bafeti school).	7/9/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.	
List of Irregular Expenditure Investigations for the Financial Year 2020/21 Financial Year							
No.	Case Number	Details of the Allegation	Date Allegation Received	Investigation Commenced	Investigation Completed	Status of Investigation (Planning, Execution, Reporting or Completed)	
1.	2/07/2020	Allegation of Irregular Expenditure for Sibani Group.	2/07/2020	Yes	No	Investigation is conducted by the consultants.	
2.	1/10/2020	Allegation of unnecessary delays in procurement of OEMS.	1/10/2020	Yes	No	Investigation is conducted by the consultants.	



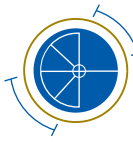
Resolution No.	Subject	Details	Response by the department			Resolved (Yes/No)	
3.			2/10/2020	6/10/2020	Yes	No	Investigation in progress by Office of the Premier (OoP).
4.			2/10/2020	6/10/2020	Yes	No	Investigation in progress by OoP.
5.			4/03/2021	5/03/2021	Yes	No	Investigation is conducted by the consultants.



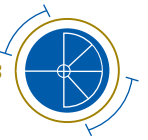
Resolution No.	Subject	Details	Response by the department					Resolved (Yes/No)	
			6.	5/3/2021	Allegation of ABT compensation events management and value for money on projects delivery versus expenditure.	11/03/2021	Not applicable	Yes	Investigation completed and approved by HOD. HOD to write condonement submission to Treasury.
			7.	6/3/2021	Allegation of PPE procurement and expenditure.	24/03/2021	Yes	No	Investigation in progress.
10	Internal Controls Deficiencies	That the Department must provide the Committee with a progress report by 31 January 2022 on the effectiveness of measures put in place to address poor leadership in the Department and thereafter every quarter continuing up until the end of June 2022.	To improve poor leadership in the Department, increasing oversight has been provided over each of the portfolios and strategic areas in the Department. This includes introducing weekly War Rooms and the submission of weekly reports to the HOD in order to ensure improved performance, accountability, and transparency across the organisation. The War Rooms are starting to show results in that for Q1 and Q2 of 2021/22 FY no irregular expenditure has been reported. It is anticipated that by the end of the year, significant leadership improvements will be notable in other areas, including in terms of the implementation of AG findings and overall performance improvements.					Yes	



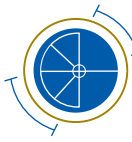
Resolution No.	Subject	Details	Response by the department						Resolved (Yes/No)		
No.			No.	Case Number	Details of the Allegation	Date Allegation Received	Investigation Commenced	Investigation Completed	Status of Investigation (Planning, Execution, Reporting/ Finalised)		
11	Investigations	That the Department must provide the Committee with a progress report on the investigations it is conducting, detailing the status of each investigation by 31 January 2022 and a quarterly progress thereafter up until the end of June 2022.	List of Irregular Expenditure Investigations for the 2021/22 Financial Year								Yes
			1.	1/4/2021	Allegation of Irregular Expenditure for Mayibuye Primary School.	29/03/2021	Not applicable	Yes	Investigation concluded and the report was submitted to HOD for approval.		
			2.	2/4/2021	Investigation report into deviation in response to pandemic not reported to Treasury timeously and procurement made without approval by the Accounting Officer.		Not applicable	Yes	Investigation finalised and approved by HOD. Investigation report referred to Labour Relations Directorate for implementation of recommendations (to institute the disciplinary hearing). Labour Relations is in the process of implementing the recommendations.		
			3.	3/4/2021	Request for approval of the compensation event at Chokoe Primary School	16/04/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.		
			4.	1/5/2021	Investigation into allegations of irregular expenditure at Turbine Hall.	18/05/2021	Not applicable	Yes	Investigation finalised and approved by HOD. Investigation report referred to Labour Relations Directorate for implementation of recommendations (to institute the disciplinary hearing). Labour Relations is in the process of implementing the recommendations.		



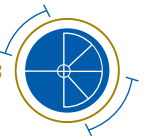
Resolution No.	Subject	Details	Response by the department			Resolved (Yes/No)
5.	3/5/2021	Allegation of irregular financial expenditure due to extension of project scope regarding upgrade, entire electrical reticulation at Westrand Clinics projects.	24/5/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.
6.	1/6/2021	Investigation of Rebohis Property Fund.	3/6/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.
7.	2/6/2021	Investigation of ex post facto approval to enter a second addendum for the Department of Community Safety at no. 64 Pritchard Street.	4/6/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.
8.	1/7/2021	Investigation at Tlhokomelo Primary School.	20/7/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.
9.	2/7/2021	Investigation at Charlotte Maxeke SCM, procurement of contractor and PSP.	20/7/2021	Yes	No	Investigation is conducted by the Consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.



Resolution No.	Subject	Details	Response by the department			Resolved (Yes/No)		
10.			2/8/2021	Investigation on compensation event no.2 at Bafikile Primary School.	5/8/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.
11.			4/8/2021	Investigation into allegations of compensation event no. 12 at New Kekanastad Clinic	10/8/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.
12.			5/8/2021	Investigation into allegations of request for approval for compensation event no.1 extension of contract period with cost for Felicitas LSEN School.	10/8/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.
13.			6/8/2021	Investigation into allegations of request for approval for compensation event no.2 ex post facto with cost from project savings due to COVID-19 compliance requirements at Dr Harry Secondary School.	25/8/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.



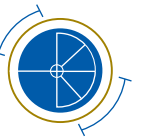
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14.	1/9/2021	Investigation into allegations of request to pay outstanding rental in respect of no.11 Diagonal and Game Building.	2/9/2021	Yes	No	Investigation is conducted by the Consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.	
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No.	Case Number	Details of the Allegation	Date Allegation Received	Investigation Commenced	Investigation Completed	Status of Investigation (Planning, Execution, Reporting or Completed)	
1.	2/07/2020	Allegation of Irregular Expenditure for Sibani Group.	2/07/2020	Yes	No	Investigation is conducted by the consultants.	
2.	1/10/2020	Allegation of unnecessary delays in procurement of OEMS.	1/10/2020	Yes	No	Investigation is conducted by the consultants.	



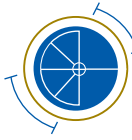
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3.			2/10/2020	6/10/2020	Yes	No	Investigation in progress by Office of the Premier (OoP)
4.			2/10/2020	6/10/2020	Yes	No	Investigation in progress by OoP.
5.			4/03/2021	5/03/2021	Yes	No	Investigation is conducted by the consultants.



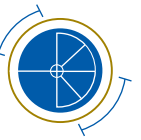
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			6.	5/3/2021	Allegation of ABT compensation events management and value for money on projects on delivery versus expenditure.	11/03/2021	Not applicable	Yes	Investigation completed and approved by HOD. HOD to write condemnation submission to Treasury.	
			7.	6/3/2021	Allegation of PPE procurement and expenditure.	24/03/2021	Yes	No	Investigation in progress.	
12	Fruitless and Wasteful Expenditure	That the Department must provide the Committee with a progress report detailing the status of the investigation on fruitless and wasteful expenditure and possible write off by 31 January 2022 and every quarter continuing up until end of June 2022.	No.	Case Number	Details of the Allegation	Date Allegation Received	Investigation Commenced	Investigation Completed	Status of Investigation (Planning, Execution, Reporting or Completed)	
			1.	4/9/2021	Investigation into allegations of fruitless and wasteful expenditure at 78 Fox Street, HVAC Project 2020-2021.	21/9/2021	Yes	No	Investigation is conducted by the consultants. Consultants were given 60 days to conclude the investigations. Consultants were appointed during the 1st week of December 2021.	
13	Filling Of Vacant Positions	That the Department must provide the Committee with plans to fill the position of the Chief Financial Officer and progress made by 31 January 2022 and quarterly until the finalisation thereof.	a.	Interviews were conducted on the 6 December 2021.						
			b.	The recommended candidates attended the required Competency Assessment on the 10 and 13 December 2021.						
			c.	The profiles of the recommended candidates have been sent to State Security Agency (SSA) for the compulsory security clearance which must be submitted prior to appointment.						
			d.	The security clearance process takes between two and five months to be finalised depending on the SSA capacity.						
			e.	The Department has requested that SSA prioritises this request so that the post can be filled by 31 March 2022.						
14	Information Technology (IT) Disaster Recovery Plan	The Department must provide an update on its IT Disaster Recovery Plan (DRP) considerations as part of the BCP based on a business impact analysis by 31 January 2022. This must be accompanied by an indication if the SLA with e-Gov and SITA has been finalised, approved, and signed.	The IT Disaster Recovery plan has been implemented as part of the SITA SLA. The Disaster Recovery testing sessions are conducted twice per annum as per stipulations in the SLA. An SLA with e-Gov and SITA is in place and approved.							



Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
15	Audit Action Plans	That the Department must submit its audit action plan indicating each area of finding by the AGSA in the 2020/21 financial year; plans to address the area of findings; and time frames for implementation by 31 January 2022.	Please refer to the attached Audit Action Plan, Annexure B.	Yes
16		That the Department must submit progress made in the implementation of its audit action plan by 31 January 2022 and every quarter thereafter until all resolutions are resolved.	Please refer to the attached Audit Action Plan, Annexure B.	Yes
17		That the Department must submit its assessment of the implications of its audit action plans to the current (2021/22) financial year 31 January 2022.	Please refer to the attached Audit Improvement Plan, Annexure C.	Yes
18	House Resolutions	That the Department must respond to House Resolutions emanating from the oversight report of SCOPA on the report of the AGSA to the Legislature on its financial statements for the previous financial year, 2019/20, by 31 January 2022.		



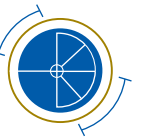
Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)																																																									
		<ul style="list-style-type: none"> That the Department must submit its plan to prevent over commitments. This plan must include the assessment of its effect in the 2020/21 financial year, by 31 July 2021. That the Department must also submit quarterly assessment reports on the implementation of the plan and its impact on the 2021/22 financial year, every quarter continuing up until the end June 2022. 	<p>On a monthly basis, Finance circulates Departmental performance reports to all SMS members. This is to ensure that SMS members are afforded an opportunity to provide reasons for overspending and mitigations within their directorates. In our monthly management meetings, the Accounting Officer will further interrogate the explanations provided by management to ensure that the reasons provided are adequate to prevent any possible overspending. Accruals are also monitored monthly to ensure that there is no overcommitment. Below please find the Departmental expenditure at economic classification as at the 10 December 2021.</p> <p>Based on the table above, the Department is only overspending on households and funds will be reprioritised to curb overspending.</p> <table border="1"> <thead> <tr> <th rowspan="2">Programme</th> <th colspan="3">R'000</th> <th rowspan="2">Available budget</th> <th rowspan="2">% Spent</th> </tr> <tr> <th>Budget</th> <th>Actual</th> <th></th> </tr> </thead> <tbody> <tr> <td>Compensation of employees</td> <td>1 115 884</td> <td>763,931</td> <td></td> <td>351,952</td> <td>68%</td> </tr> <tr> <td>Goods and Services</td> <td>953 931</td> <td>651,583</td> <td></td> <td>302,348</td> <td>68%</td> </tr> <tr> <td>Interest</td> <td>100</td> <td>-</td> <td></td> <td>100</td> <td>0%</td> </tr> <tr> <td>Provinces and Municipalities</td> <td>1 025 376</td> <td>707,830</td> <td></td> <td>317,546</td> <td>69%</td> </tr> <tr> <td>Households</td> <td>3 000</td> <td>4,345</td> <td></td> <td>(1,345)</td> <td>145%</td> </tr> <tr> <td>Buildings and Other Fixed Structures</td> <td>137 550</td> <td>10,070</td> <td></td> <td>127,479</td> <td>7%</td> </tr> <tr> <td>Machinery and Equipment</td> <td>25 090</td> <td>13,981</td> <td></td> <td>11,108</td> <td>56%</td> </tr> <tr> <td>Total</td> <td>3 260 931</td> <td>2,151,407</td> <td></td> <td>1,109,523</td> <td>66%</td> </tr> </tbody> </table>	Programme	R'000			Available budget	% Spent	Budget	Actual		Compensation of employees	1 115 884	763,931		351,952	68%	Goods and Services	953 931	651,583		302,348	68%	Interest	100	-		100	0%	Provinces and Municipalities	1 025 376	707,830		317,546	69%	Households	3 000	4,345		(1,345)	145%	Buildings and Other Fixed Structures	137 550	10,070		127,479	7%	Machinery and Equipment	25 090	13,981		11,108	56%	Total	3 260 931	2,151,407		1,109,523	66%	Yes
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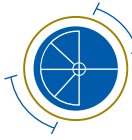
Resolution No.	Subject	Details	Response by the department				Resolved (Yes/No)																																																																																																															
1	Significant Uncertainty Relating to Litigation	That the Department must submit a quarterly progress report on the finalisation of the lawsuits reported for the period to 31 March 2020 by 31 January 2022 and a quarterly progress continuing up until finalisation thereof.	<p>Weaknesses identified that contribute to high incidence of litigation contained in the report Annexure A are:</p> <ul style="list-style-type: none"> (i) Late payments or non-payments for services rendered. (ii) Delays in the approval of compensation events. (iii) Final account closure. <p>The Department tasked Internal Control Unit to develop control measures that deal with weaknesses identified above, with the aim of reducing any future possible litigations.</p> <p>The issue of litigation has been discussed and incorporated into the Annual Strategic Risk Assessment with proposed mitigations which have been implemented as set out in paragraph 3. Legal Services monthly does a trends analysis, and the monthly litigation report is shared with management.</p> <p>The breakdown of the total number, amounts of lawsuits and age analysis of lawsuits is as follows:</p> <table border="1"> <thead> <tr> <th colspan="2"></th> <th colspan="2">DECEMBER 2021</th> <th colspan="2">MARCH 2022</th> </tr> <tr> <th>Year</th> <th>Number of matters</th> <th>Amount</th> <th>Part heard</th> <th>Number of matters</th> <th>Amount</th> <th>Part heard</th> </tr> </thead> <tbody> <tr> <td>2009</td> <td>3</td> <td>42,479,760.08</td> <td>41,856,281.25</td> <td>2</td> <td>623,478.83</td> <td>623,478.83</td> </tr> <tr> <td>2010</td> <td>1</td> <td>21,500,000.00</td> <td>Awaiting judgment</td> <td>NIL</td> <td></td> <td></td> </tr> <tr> <td>2011</td> <td>NIL</td> <td></td> <td></td> <td>NIL</td> <td></td> <td></td> </tr> <tr> <td>2012</td> <td>5</td> <td>93,310,481.85</td> <td>70,270,813.64</td> <td>5</td> <td>93,310,481.85</td> <td>70,270,813.64</td> </tr> <tr> <td>2013</td> <td>NIL</td> <td></td> <td></td> <td>NIL</td> <td></td> <td></td> </tr> <tr> <td>2014</td> <td>2</td> <td>17,863,131.56</td> <td></td> <td>1</td> <td>2,076,083.90</td> <td></td> </tr> <tr> <td>2015</td> <td>5</td> <td>17,793,571.52</td> <td>11,468,086.44 (ADJ & HC)</td> <td>2</td> <td>17,793,571.52</td> <td>11,468,086.44 (ADJ & HC)</td> </tr> <tr> <td>2016</td> <td>2</td> <td>4,860,000.00</td> <td>4,860,000.00</td> <td>2</td> <td>4,860,000.00</td> <td>4,860,000.00</td> </tr> <tr> <td>2017</td> <td>7</td> <td>12,276,357.77</td> <td></td> <td>7</td> <td>12,276,357.77</td> <td></td> </tr> <tr> <td>2018</td> <td>8</td> <td>1,201,926,855.69</td> <td></td> <td>8</td> <td>1,201,926,855.69</td> <td></td> </tr> <tr> <td>2019</td> <td>10</td> <td>16,500,607.07</td> <td></td> <td>10</td> <td>16,500,607.60</td> <td></td> </tr> <tr> <td>2020</td> <td>12</td> <td>20,702,632.60</td> <td></td> <td>11</td> <td>20,702,632.60</td> <td></td> </tr> <tr> <td>2021</td> <td>15</td> <td>184,153,947.92</td> <td>92,670,516.22</td> <td>14</td> <td>184,153,947.92</td> <td>92,670,516.22</td> </tr> <tr> <td>2022</td> <td></td> <td></td> <td>+ application awaiting judgment</td> <td>2</td> <td>35,307,282.45</td> <td></td> </tr> </tbody> </table>						DECEMBER 2021		MARCH 2022		Year	Number of matters	Amount	Part heard	Number of matters	Amount	Part heard	2009	3	42,479,760.08	41,856,281.25	2	623,478.83	623,478.83	2010	1	21,500,000.00	Awaiting judgment	NIL			2011	NIL			NIL			2012	5	93,310,481.85	70,270,813.64	5	93,310,481.85	70,270,813.64	2013	NIL			NIL			2014	2	17,863,131.56		1	2,076,083.90		2015	5	17,793,571.52	11,468,086.44 (ADJ & HC)	2	17,793,571.52	11,468,086.44 (ADJ & HC)	2016	2	4,860,000.00	4,860,000.00	2	4,860,000.00	4,860,000.00	2017	7	12,276,357.77		7	12,276,357.77		2018	8	1,201,926,855.69		8	1,201,926,855.69		2019	10	16,500,607.07		10	16,500,607.60		2020	12	20,702,632.60		11	20,702,632.60		2021	15	184,153,947.92	92,670,516.22	14	184,153,947.92	92,670,516.22	2022			+ application awaiting judgment	2	35,307,282.45		Yes
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2014	2	17,863,131.56		1	2,076,083.90																																																																																																																	
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2016	2	4,860,000.00	4,860,000.00	2	4,860,000.00	4,860,000.00																																																																																																																
2017	7	12,276,357.77		7	12,276,357.77																																																																																																																	
2018	8	1,201,926,855.69		8	1,201,926,855.69																																																																																																																	
2019	10	16,500,607.07		10	16,500,607.60																																																																																																																	
2020	12	20,702,632.60		11	20,702,632.60																																																																																																																	
2021	15	184,153,947.92	92,670,516.22	14	184,153,947.92	92,670,516.22																																																																																																																
2022			+ application awaiting judgment	2	35,307,282.45																																																																																																																	



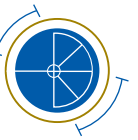
Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
2		That the Department must submit a quarterly progress report on the finalisation of the lawsuits reported for the period to 31 March 2020 by 31 January 2022 and a quarterly progress continuing up until finalisation thereof.	The question is the same as questions (1) above. Kindly refer to response no. (1) above.	Yes
3		That the Department must investigate alternative measures to reduce the occurrence of lawsuits and submit the plan to the Committee by 31 January 2022.	<p>The Department has implemented the following measures:</p> <p>Measures for Late Payments</p> <p>(a) Utilisation of the Electronic Invoicing System (EIS) system.</p> <p>(b) Supplier registration and submission of invoices through EIS.</p> <p>(c) Direct payments by Client Department of Health of service provider invoices on EIS system.</p> <p>(d) Standard Operating Procedures drafted to streamline payments between DID and Client Departments.</p> <p>Measures to deal with Final Accounts</p> <p>(e) Training sessions have been held on Contract Management being:</p> <p>(f) Project Management Webinar on Contracts held on 20 August 2021 dealing with:</p> <ul style="list-style-type: none"> - The role of Contract Management in the successful delivery or failure of infrastructure projects; - Choice of contracts; - Contract disputes; - Performance monitoring and evaluation/poor contractor performance; - Management of poor contractor performance; - Project scope change or variation orders or compensation events management; and - Late payments of contractors and sub-contractors. <p>Measures to deal with delay in approval of CEs:</p> <p>(g) Workshop was held on 5 November 2021 for Project Managers on procurement processes and variations, Financial Management Compliance, Contract Management and Project Management Infrastructure Delivery Management System (IDMS) related content.</p> <p>(h) Integrated Construction Management workshop held was on 6 December 2021 with a focus on Construction law principles.</p>	Yes



Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
4	Restatement of Prior Year Amounts	That the Department must implement adequate processes to curb restatements of corresponding figures and provide the Committee with a progress report detailing the effectiveness of the processes by 31 January 2022 and a quarterly progress report continuing up until the end of June 2022.	<p>To curb restatement of corresponding figures, the Department has taken a decision that financial statements will be prepared monthly, quarterly, and at year end. This initiative will ensure that errors identified at the end of the month are not carried over to the next month and are corrected on time. It is through this key control that the Department is providing preventative control instead of reactive control.</p> <p>The Department has initiated an "Audit War Room," whereby, all the financial statement disclosure notes are presented and discussed. This platform allows Directors, Chief Directors and DDGs to illustrate to the Department, challenges that they encounter within their respective areas and take accountability of the figures that would be disclosed in the financial statements by signing off the accuracy letter stipulating that information submitted is complete and accurate.</p> <p>Directors manage the process of finalising the figures for respective disclosure notes as per their areas of responsibility and submit same to Finance to be included on the financial statements. During the process of preparation, they then ensure that there is no information that is omitted on the note to avoid incompleteness/understatements and overstatements.</p> <p>Finance section would then have an oversight of the submitted note and if there are any concerns, they would be raised with the relevant unit for correction or clarity. Relevant supporting documents would be shared with Finance to compile a pack of the financial statements.</p> <p>The following quality assurance are provided before the financials are submitted to Office of the Auditor General.</p> <ul style="list-style-type: none"> Finance Management Provides a detailed level review of all notes on the financial statements including the relevant preparation guide as per accounting standards or National Treasury guidelines. Internal Control The Internal Control unit will also provide a review of the financial statements, and issue a formal report based on their findings. Provincial Treasury The PAG office in the Gauteng Treasury will also assist the Department through a review of the Annual financial statements to ensure that all notes are properly prepared. Based on the finding identified, a report will be issued to Finance unit. Audit Committee The Audit Committee also advises the Department on issues that are not properly presented and provide guidance on any amendments. <p>All comments and review notes raised by Treasury and the Audit Committee were addressed and factored in the revised Annual Financial Statements submitted on the 25 May 2022.</p>	Yes
5	Subsequent Event	That the Department submits a progress report on completion of repairing the fire damage at Charlotte Maxeke Johannesburg Academic Hospital by 31 January 2022 and thereafter every quarter continuing until finalisation thereof.	<p>DID is no longer the implementing agent on the Charlotte Maxeke Johannesburg Academic Hospital (CMJAH) project. The project has since been handed over to the National Department of Health. This is in line with the Proclamation issued by the Premier of Gauteng terminating the Department's services on the Charlotte Maxeke Johannesburg Academic Hospital (CMJAH) project. The Proclamation issued in February 2022 is attached, see Annexure B.</p>	Yes



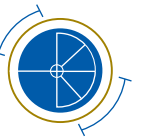
Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)																																							
6	COVID-19 Expenditure Response	That the Department must provide the Committee with a report detailing procurement of COVID-19 Construction Projects Emergency refurbishment projects by 31 January 2022 and a quarterly progress until June 2022.	<p>Procurement of COVID-19 Construction projects was done through the emergency procurement guide, Treasury No. 5 of 2020/21. Progress is as following:</p> <table border="1"> <thead> <tr> <th>Project</th> <th>ABTs</th> <th>Progress as at 31st January 2022</th> </tr> </thead> <tbody> <tr> <td>Jubilee Hospital</td> <td>Completed</td> <td>Completed</td> </tr> <tr> <td>George Mukhari Hospital</td> <td>Completed in December 2020</td> <td>Completed</td> </tr> <tr> <td>Chris Hani Baragwanath Hospital</td> <td>Completed</td> <td>Completed</td> </tr> <tr> <td>Kopanong Hospital</td> <td>Not completed. The client is considering re-purposing the facility hence the planning process is underway. Projected completion date is October 2023.</td> <td></td> </tr> </tbody> </table> <p>Refurbishment projects</p> <table border="1"> <tbody> <tr> <td>Tshwane District Hospital</td> <td>Completed</td> </tr> <tr> <td>Lenasia CHC</td> <td>Completed</td> </tr> <tr> <td>Discoverers</td> <td>Sectionally completed.</td> </tr> <tr> <td>George Mukhari</td> <td>Not completed, we are awaiting the completion certificate from the municipality</td> </tr> </tbody> </table>	Project	ABTs	Progress as at 31st January 2022	Jubilee Hospital	Completed	Completed	George Mukhari Hospital	Completed in December 2020	Completed	Chris Hani Baragwanath Hospital	Completed	Completed	Kopanong Hospital	Not completed. The client is considering re-purposing the facility hence the planning process is underway. Projected completion date is October 2023.		Tshwane District Hospital	Completed	Lenasia CHC	Completed	Discoverers	Sectionally completed.	George Mukhari	Not completed, we are awaiting the completion certificate from the municipality	Yes																
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7	Expenditure Management	That the Department must by 31 January 2021 provide its analysis/plan to ensure that it complies with the legislative requirements to pay service providers within 30 days and possibly with 15 days as per the provincial government target.	<p>Analysis of payment of suppliers within 30 days over the past 9 months, shows that the Department continues to make progress in pursuit of paying service providers within 30 days.</p> <p>Below is a trend analysis of payment of suppliers over 15 days and 30 days.</p> <p>Overall performance</p> <table border="1"> <thead> <tr> <th>Period</th> <th>30 Days-Compliance %</th> <th>15 Days-Compliance %</th> </tr> </thead> <tbody> <tr> <td>Apr-21</td> <td>53%</td> <td>27%</td> </tr> <tr> <td>May-21</td> <td>63%</td> <td>39%</td> </tr> <tr> <td>Jun-21</td> <td>71%</td> <td>40%</td> </tr> <tr> <td>Jul-21</td> <td>76%</td> <td>42%</td> </tr> <tr> <td>Aug-21</td> <td>83%</td> <td>51%</td> </tr> <tr> <td>Sep-21</td> <td>70%</td> <td>36%</td> </tr> <tr> <td>Oct-21</td> <td>83%</td> <td>46%</td> </tr> <tr> <td>Nov-21</td> <td>87%</td> <td>65%</td> </tr> <tr> <td>Dec-21</td> <td>91%</td> <td>80%</td> </tr> <tr> <td>Jan-22</td> <td>26%</td> <td>16%</td> </tr> <tr> <td>Feb-22</td> <td>51%</td> <td>36%</td> </tr> <tr> <td>Mar-22</td> <td>78%</td> <td>63%</td> </tr> </tbody> </table> <p>30 Days Compliance between DID and Client Departments:</p>	Period	30 Days-Compliance %	15 Days-Compliance %	Apr-21	53%	27%	May-21	63%	39%	Jun-21	71%	40%	Jul-21	76%	42%	Aug-21	83%	51%	Sep-21	70%	36%	Oct-21	83%	46%	Nov-21	87%	65%	Dec-21	91%	80%	Jan-22	26%	16%	Feb-22	51%	36%	Mar-22	78%	63%	Yes
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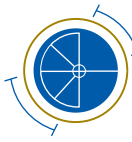
Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)																																							
			<table border="1"> <thead> <tr> <th>De-part-ment</th> <th>April</th> <th>May</th> <th>June</th> <th>July</th> <th>Aug</th> <th>Sept</th> <th>Oct</th> <th>Nov</th> <th>Dec</th> <th>Jan</th> <th>Feb</th> <th>March</th> </tr> </thead> <tbody> <tr> <td>DID</td> <td>86%</td> <td>81%</td> <td>88%</td> <td>91%</td> <td>84%</td> <td>92%</td> <td>85%</td> <td>92%</td> <td>89%</td> <td>60%</td> <td>86%</td> <td>94%</td> </tr> <tr> <td>Client</td> <td>60%</td> <td>43%</td> <td>58%</td> <td>69%</td> <td>82%</td> <td>52%</td> <td>83%</td> <td>80%</td> <td>93%</td> <td>14%</td> <td>34%</td> <td>70%</td> </tr> </tbody> </table> <p>In January, DID achieved 60% due to December/January festive holidays as no payments run could be done during this period. Furthermore, Client Departments' performance worsened to all time low at 14% this mainly attributable to cash received from DoH and subsequent payments made that were already outside of the 30-day period.</p> <p>30 Days Payment Interventions</p> <ul style="list-style-type: none"> Reject all invoices that are submitted prior to signing of the GRV; All invoices to be submitted via EIS system; SOP for vote transactions has been finalised; Distribute web cycle report (SAP) on a weekly basis to Head of Branches; Business units to complete payment check list prior to signing GRV; Obtain monthly confirmation from Head of branches regarding list of outstanding invoices; Finance will continue with Payment War Room to ensure we meet the 15-day target; 30 days payment compliance forms part of the SMS performance contract and failure to comply will result in consequences management; Automate all transactions through creation of purchase orders by SCM from 1 April 2022; Request Provincial Treasury to ringfence budgets from Client Departments to allow DID to make payment to service providers directly; Perform monthly reconciliation; Regular engagement with the Client Department; and Early warning system has also been launched to track movement of invoices within the Department. 	De-part-ment	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	DID	86%	81%	88%	91%	84%	92%	85%	92%	89%	60%	86%	94%	Client	60%	43%	58%	69%	82%	52%	83%	80%	93%	14%	34%	70%	Yes
De-part-ment	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March																															
DID	86%	81%	88%	91%	84%	92%	85%	92%	89%	60%	86%	94%																															
Client	60%	43%	58%	69%	82%	52%	83%	80%	93%	14%	34%	70%																															
8	Procurement and Contract Management	That the Department provides the Committee with a plan put in place to provide adequate oversight over compliance with SCM laws and regulations by 31 January 2022 and thereafter its effectiveness every quarter continuing up until the end of June 2022.	<p>ACTIVITIES TO COMPLY WITH THE REGULATIONS</p> <p>The Department will leverage on the work of probity auditors to improve compliance with prescripts. The probity auditors sit in both specifications and Bid Evaluation Committees to check compliance and issue report to BAC with a recommendation.</p> <p>Improvement of review mechanism before award.</p> <p>Ensure that all emergency procurements are submitted to BAC before submission to the Accounting Officer for approval.</p> <p>Development of Emergency Procurement Policy.</p> <p>Ensure that there is a standing invitation for Client Departments to participate in the bidding process of Client Departments projects.</p>	<p>PLAN TO IMPROVE COMPLIANCE</p> <p>All projects above R2 million are subjected to probity auditors process for compliance and quality check. A probity report is issued to be tabled at BAC.</p> <p>All findings raised by probity auditors are resolved before projects are tabled before the BAC.</p> <p>All emergency procurement projects are tabled at BAC for Accounting Officers' approval. The process started on 30 September 2021 with the following projects: Charlotte Maxeke propping project, and Charlotte Maxeke remedial work for fire.</p> <p>The Policy has been approved by the Accounting Officer. The Department is currently finalizing SOPs and terms of reference for the Emergency Framework Panel.</p> <p>Client Departments are invited for all projects above R2 million.</p>	Yes																																						



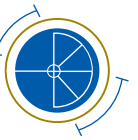
Resolution No.	Subject	Details	Response by the department						Resolved (Yes/No)
			Description	Details	Amount	Investigated / Condoned	Possible preventative Control	Anticipated Conclusion of Investigation	
9	Consequence Management	That the Department must provide the Committee with a report detailing the status of the various investigations regarding the Irregular Expenditure and disciplinary steps taken against officials and provides the Committee with a progress report by 31 January 2022 and thereafter every quarter continuing up until the end of June 2022.	List of Irregular Expenditure Investigations for the 2021/22 Financial Year.						Yes
			Description	Details	Amount	Investigated / Condoned	Possible preventative Control	Anticipated Conclusion of Investigation	
			Opening balance	Prior years	559 570 00	Investigation completed	Condone the expenditure and terminate the contract.	Labour Relations is busy with disciplinary processes.	
			Various security services	Expired contracts extend on month to month	26 550 352	Investigation completed	Finalise SLA for new security service providers.	Labour Relations is busy with disciplinary processes.	
			Various security services	Sourcing of security services through three quotation system	58 003 854	Investigation completed	Finalise SLA for new security service providers.	Labour Relations is busy with disciplinary processes.	
			Cleaning Services	Expired contracts extend on month-to-month	4 813 533	Investigation completed	Tender to be awarded to qualifying service providers.	Labour Relations is busy with disciplinary processes.	
			Turbine Hall and Square – Office Accommodation – Premier's Office	6-month lease has expired	13 256 830	Investigation completed	Finalise procurement process for OoP.	Irregular expenditure to be condoned. Labour relations is busy with disciplinary processes.	
			COVID-19 PPE	Procurement of 13 140 litres of sanitisers without approval by the HOD	1 015 196	Investigation completed	Involve probity auditors to review both specification and evaluation processes.	Disciplinary processes completed.	
			COVID-19 PPE	Procurement of sanitiser, jug measuring plastic and container plastic with lid	356 315	Investigation completed	Involve probity auditors to review both specification and evaluation processes.	Disciplinary processes completed.	



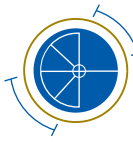
Resolution No.	Subject	Details	Response by the department			Resolved (Yes/No)			
			Overspending on projects	Payment made above contract value without approved CE	293 224	To be investigated	STARS to develop reporting dashboard for projects for use by management in assessing performance.	30 November 2021	
		Government Officials	Employees doing business with GDID	7 807 347		Investigation completed	SCM to vet all company directors doing business with DID, through DPSA.	Disciplinary processes completed.	
		Government Officials	Employees who have close family relationships with suppliers who did business with GDID	66 983		Investigations completed	Issue regular circular warning employees of consequences of doing business with the state.	Disciplinary processes completed.	
		Government Officials	List of Department's employees who are partners in suppliers doing business with the GDID	27 937 938		Investigations completed	Issue regular circular warning employees of consequences of doing business with the state.	Disciplinary processes completed.	
		11 Diagonal Street	Expired contracts extend on month-to-month basis	65 576 293		Investigation in progress	DID to source new office accommodation and terminate month to month contract.	Investigation in progress	



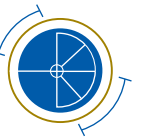
Resolution No.	Subject	Details	Response by the department				Resolved (Yes/No)
	Chris Hani Bara COVID-19 refurbishments: Various suppliers	Reasons for deviating from normal SCM processes were not recorded and approved by the HOD.	35 254 331	Investigation completed	Develop and implement emergency procurement policy.	Internal controls completed.	
	Disinfection of GPG Buildings	5-month extension was not part of the initial RFQ, and Service Providers did not submit quotation based on 5 months but one month.	117 322 103	Investigation completed	RFQ to be evaluated and adjudicated in accordance with the RFQ or advert.	Further training for officials.	
	COVID-19 refurbishment of field hospital on behalf of Department of Health – George Mukhari Hospital	National Treasury instruction 3 of 2016/2017 stipulates that in case of emergency procurement, the HOD must invite as many suppliers as possible and select the preferred supplier using the competitive bid committee system. The Department did not comply with the above-mentioned paragraph.	227 212 176	Investigation completed	Emergency procurement policy to be fully implemented.	Internal controls to be improved.	



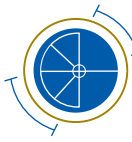
Resolution No.	Subject	Details	Response by the department		Resolved (Yes/No)
	COVID-19 refurbishment of field hospital on behalf of Department of Health – Tshwane District Hospital	National Treasury instruction 3 of 2016/2017 stipulates that in case of emergency procurement, the HOD must invite as many suppliers as possible and select the preferred supplier using the competitive bid committee system. The Department did not comply with the above-mentioned paragraph.	51 573 918	Investigation completed	Internal controls to be improved.
	COVID-19 refurbishment of field hospital on behalf of Department of Health – AngloGold Ashanti Hospital	National Treasury instruction 3 of 2016/2017 stipulates that in case of emergency procurement, the HOD must invite as many suppliers as possible and select the preferred supplier using the competitive bid committee system. The Department did not comply with the above-mentioned paragraph.	404 280 792	Investigation completed	Emergency procurement policy to be fully implemented. Disciplinary processes in progress.



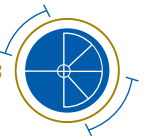
Resolution No.	Subject	Details	Response by the department			Resolved (Yes/No)
	COVID-19 refurbishment of field hospital on behalf of Department of Health – Lenasia CHC	National Treasury instruction 3 of 2016/2017 stipulates that in case of emergency procurement, the HOD must invite as many suppliers as possible and select the preferred supplier using the competitive bid committee system. The Department did not comply with the above-mentioned paragraph.	42 421 291	Investigation completed	Emergency procurement policy to be fully implemented.	Labour relations busy with disciplinary processes.
	COVID-19 refurbishment of field hospital on behalf of Department of Health – Discovers CHC	National Treasury instruction 3 of 2016/2017 stipulates that in case of emergency procurement, the HOD must invite as many suppliers as possible and select the preferred supplier using the competitive bid committee system. The Department did not comply with the above-mentioned paragraph.	36 139 666	Investigation completed	Emergency procurement policy to be fully implemented.	Labour relations busy with disciplinary processes.



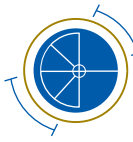
Resolution No.	Subject	Details	Response by the department							Resolved (Yes/No)
10	Internal Controls Deficiencies	That the Department must provide the Committee with a progress report by 31 January 2022 on the effectiveness of measures put in place to address poor leadership in the Department and thereafter every quarter continuing up until the end of June 2022.	To improve poor leadership in the Department, increasing oversight has been provided over each of the portfolios and strategic areas in the Department. This includes introducing weekly War Rooms and the submission of weekly reports to the HOD to ensure improved performance, accountability, and transparency across the organisation. The War Rooms are starting to show results in that for Q1 and Q2 of 2021/22 FY no irregular expenditure has been reported. It is anticipated that by the end of the year, significant leadership improvements will be notable in other areas, including in terms of the implementation of AG findings and general performance improvements.							Yes
11	Investigations	That the Department must provide the Committee with a progress report on the investigations it is conducting, detailing the status of each investigation by 31 January 2022 and a quarterly progress thereafter up until the end of June 2022.	No.	Case Number	Details of the Allegation	Date Allegation Received	Investigation Completed	Status of Investigation Planning, Execution, Reporting Finalised	Current progress on Implementation of recommendations	Yes
			1.	1/4/2021	Allegation of Irregular Expenditure for May/buye Primary School.	29/03/2021	No	Investigation report was sent to the HOD for approval. HOD approved. HOD expanded the scope of investigation. Investigation in progress.	Not applicable	
			2.	2/4/2021	Investigation report into deviation in response to pandemic not reported to Treasury timeously and procurement made without approval by the Accounting Officer.		Yes	Investigation finalised and approved by HOD. Investigation report referred to Labour Relations Directorate for implementation of recommendations (to institute the disciplinary hearing).		



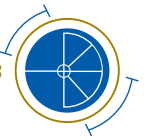
Resolution No.	Subject	Details	Response by the department			Resolved (Yes/No)	
3.			3/4/2021	Request for approval of the compensation event at Chokoe Primary School.	16/04/2021	Yes	Investigation finalised. Investigation report referred to Labour Relations Directorate for implementation of recommendations.
4.			1/5/2021	Investigation into allegations of irregular expenditure at Turbine Hall	18/05/2021	Yes	Investigation finalised and approved by HOD. Investigation report referred to Labour Relations Directorate for implementation of recommendations (to institute the disciplinary hearing). Disciplinary hearing will sit on 1 June 2022.
5.			3/5/2021	Allegation of irregular financial expenditure due to extension of project scope regarding upgrade, entire electrical reticulation at Westrand Clinics projects.	24/5/2021	Yes	Investigation finalised. Investigation report referred to Labour Relations Directorate for implementation of recommendations. Charge sheet served. Awaiting hearing date from the Office of the Premier.



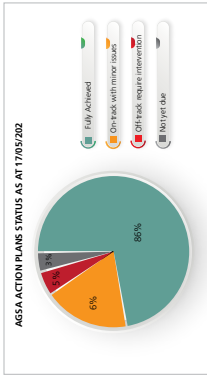
Resolution No.	Subject	Details	Response by the department				Resolved (Yes/No)	
6.			1/6/2021	Investigation of Rebohis Property Fund.	3/6/2021	Yes	Investigation finalised. The investigation report was referred to Legal Services and the Office of the Acting CFO.	Legal services sent an instruction to the State Attorney on 14 April 2022.
7.			2/6/2021	Investigation of ex post facto approval to enter into a second addendum for the Department of Community Safety at no. 64 Pritchard Street.	4/6/2021	Yes	Investigation finalised. Investigation report referred to Legal Services and the Office of the Acting CFO.	Legal services sent an instruction to the State Attorney on 14 April 2022.
8.			17/2021	Investigation at Thokomelo Primary School.	20/7/2021	Yes	Investigation finalised. Investigation report referred to Labour Relations Directorate for implementation of recommendations.	
10.			2/8/2021	Investigation on compensation event no.2 at Bafikile Primary School.	5/8/2021	Yes	Investigation finalised. Investigation report referred to Labour Relations Directorate for implementation of recommendations.	

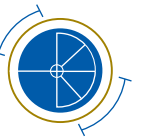


Resolution No.	Subject	Details	Response by the department			Resolved (Yes/No)
11.		4/8/2021	Investigation into allegations of compensation event no. 12 at New Kekanastad Clinic	10/8/2021	Yes	Investigation finalised. Investigation report referred to Labour Relations Directorate for implementation of recommendations.
12.		5/8/2021	Investigation into allegations of request for approval for compensation event no.1 extension of contract period with cost for Felicitas LSEN School.	10/8/2021	Yes	Investigation finalised. Investigation report referred to Labour Relations Directorate for implementation of recommendations.
13.		6/8/2021	Investigation into allegations of request for approval for compensation event no. 2 ex post facto with cost from project savings due to COVID-19 compliance requirements at Dr Harry Secondary School.	25/8/2021	Yes	Investigation finalised. Investigation report referred to Labour Relations Directorate for implementation of recommendations.
14.		1/9/2021	Investigation into allegations of request to pay outstanding rental in respect of no.11 Diagonal and Game Building.	2/9/2021	No	Investigation is ongoing.



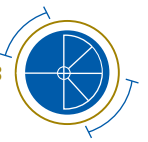
Resolution No.	Subject	Details	Response by the department				Resolved (Yes/No)
15			2/9/2021	7/9/2021	Yes	Investigation finalised.	
			No.	Date Allegation Received	Investigation Completed	Status of Investigation (Planning, Execution, Reporting or Completed)	
			Case Number				
1.		Investigation into allegations of fruitless and wasteful expenditure at 78 Fox Street HVAC Project 2020-2021.	4/9/2021	21/9/2021	Yes	Investigation finalised. The investigation report was referred to Labour Relations Directorate for implementation of recommendations.	
2		Investigation into allegations of fruitless and wasteful expenditure Suikersbosrand.	6-3-2022	15/3/2022	Yes	Investigation finalised. The investigation report was referred to Labour Relations Directorate for implementation of recommendations. The investigation report was also referred to the Office of the Acting Chief Financial Officer to disclose the fruitless and wasteful expenditure incurred amounting to R 5 241 518 62 and has since been condoned.	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
12	Fruitless and Wasteful Expenditure	That the Department must provide the Committee with a progress report detailing the status of the investigation on fruitless and wasteful expenditure and possible write off by 31 January 2022 and every quarter continuing up until end of June 2022.		Yes
13	Filling Of Vacant Positions	That the Department must provide the Committee with plans to fill the position of the Chief Financial Officer and progress made by 31 January 2022 and quarterly until the finalisation thereof.	<p>a. Interviews were conducted on the 6 December 2021.</p> <p>b. The profiles of the recommended candidates were sent to State Security Agency (SSA) for the compulsory security clearance which must be submitted prior to appointment.</p> <p>c. The Security Clearance has been granted and the Premier has approved the appointment.</p> <p>d. The new CFO has accepted the post at DID and is currently serving notice at her current employer. The CFO will start officially as of 1 June 2022.</p>	Yes
14	Information Technology (IT) Disaster Recovery Plan	The Department must provide an update on its IT Disaster Recovery Plan (DRP) considerations as part of the BCP based on a business impact analysis by 31 January 2022. This must be accompanied by an indication if the SLA with e-Gov and SITA has been finalised, approved, and signed.	<p>The IT Disaster Recovery plan has been implemented as part of the SITA SLA. The Disaster Recovery testing sessions are conducted twice per annum as per stipulations in the SLA. An SLA with e-Gov and SITA is in place and approved.</p>	Yes
15	Audit Action Plans	That the Department must submit its audit action plan indicating each area of finding by the AGSA in the 2020/21 financial year; Plans to address the area of findings; and time frames for implementation by 31 January 2022.	<p>The dashboard above shows the implementation status of 2020/21 AGSA action plans as of 17 May 2022. The Department has fully implemented 86% of the AGSA action plans, with 6% on track with minor issues, while 5% of the action plans are off-track and require intervention. All outstanding action plans will be carried over to the 2022/23 Audit Improvement Plan (AIP) and be tracked through weekly AG War Room meetings. Refer to the attached Annexure B for the detailed progress. The detailed report is attached hereto as Annexure B (Audit Improvement Plan with detailed findings and action plans).</p>  <p>AGSA ACTION PLANS STATUS AS AT 17/05/2022</p> <ul style="list-style-type: none"> 86% Fully Achieved 6% On track with minor issues 5% Off track require intervention Not yet due 	Yes



Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)																																																												
16		That the Department must submit progress made in the implementation of its audit action plan by 31 January 2022 and every quarter thereafter until all resolutions are resolved.	The Department has fully implemented 86% of the AGSA action plans, while 6% of the audit action plans are on track with minor issues. All outstanding action plans will be carried over to the 2022/23 Audit Improvement Plan (AIP) and be tracked through weekly AG War Room meetings. (Refer to the attached Annexure C for the detailed progress).	Yes																																																												
17		That the Department must submit its assessment of the implications of its audit action plans to the current (2021/22) financial year 31 January 2022.	Through the implementation of the Audit Improvement plan, the Department has addressed majority of the audit findings (86%). The audit action plans focused primarily on addressing the internal control deficiencies, as well as recurring findings raised during the audit to ensure that such findings do not recur during the 2021/22 audit. Management continuously keeps track of the audit issues during AG War Room, and Senior Management Team (SMT) meetings.	Yes																																																												
18	House Resolutions	<p>That the Department must respond to House Resolutions emanating from the oversight report of SCOPA on the report of the AGSA to the Legislature on its financial statements for the previous financial year, 2019/20, by 31 January 2022.</p> <ul style="list-style-type: none"> That the Department must submit its plan to prevent over commitments. This plan must include the assessment of its effect in the 2020/21 financial year, by 31 July 2021. That the Department must also submit quarterly assessment reports on the implementation of the plan and its impact on the 2021/22 financial year, every quarter continuing up until the end June 2022. 	<p>The Department must respond to House Resolutions emanating from the oversight report of SCOPA on the report of the AGSA to the Legislature on its financial statements for the previous financial year, 2019/20, by 31 January 2022.</p> <p>The integrated reporting template is circulated on monthly basis to SMS members. This is to ensure that SMS members are afforded an opportunity to provide reasons for overspending and mitigations thereof. In our monthly management meetings, the Accounting Officer further interrogates the explanation provided by management to ensure that the reasons provided are adequate to prevent any possible overspending.</p> <p>If reasons provided are not good enough, Finance schedules meetings with the branch concerned and this is then followed up through a formal letter issued to the Branch Head with the intention to implement consequence management. Accruals are also monitored on monthly basis to ensure that there are no over commitments.</p> <p>Below please find Departmental Expenditure at Economic Classification as at 31st March 2022.</p> <p>Expenditure report 31 March 2022</p>																																																													
<table border="1"> <thead> <tr> <th>Per economic classification</th> <th>Final Appropriation</th> <th>Actual Expenditure</th> <th>Variance</th> <th>Variance as a % of Final Appropriation</th> </tr> </thead> <tbody> <tr> <td></td> <td>R'000</td> <td>R'000</td> <td>R'000</td> <td>R'000</td> </tr> <tr> <td>Compensation of employees</td> <td>1 173 087</td> <td>1 151 013</td> <td>22 074</td> <td>98</td> </tr> <tr> <td>Goods and services</td> <td>942 776</td> <td>932 457</td> <td>10 319</td> <td>99</td> </tr> <tr> <td>Interest and rent on land</td> <td>21 500</td> <td>21 500</td> <td>0</td> <td>100</td> </tr> <tr> <td>Provinces and municipalities</td> <td>1 025 348</td> <td>1 025 348</td> <td>0</td> <td>100</td> </tr> <tr> <td>Households</td> <td>5 904</td> <td>5 903</td> <td>1</td> <td>100</td> </tr> <tr> <td>Buildings and other fixed structures</td> <td>50 415</td> <td>10 143</td> <td>40 272</td> <td>20</td> </tr> <tr> <td>Machinery and equipment</td> <td>28 409</td> <td>28 464</td> <td>(55)</td> <td>100</td> </tr> <tr> <td>Intangible assets</td> <td>813</td> <td>813</td> <td>0</td> <td>100</td> </tr> <tr> <td>Payments for financial assets</td> <td>768</td> <td>768</td> <td>0</td> <td>100</td> </tr> <tr> <td>Grand Total</td> <td>3 249 020</td> <td>3 176 409</td> <td>72 611</td> <td>98</td> </tr> </tbody> </table>					Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation		R'000	R'000	R'000	R'000	Compensation of employees	1 173 087	1 151 013	22 074	98	Goods and services	942 776	932 457	10 319	99	Interest and rent on land	21 500	21 500	0	100	Provinces and municipalities	1 025 348	1 025 348	0	100	Households	5 904	5 903	1	100	Buildings and other fixed structures	50 415	10 143	40 272	20	Machinery and equipment	28 409	28 464	(55)	100	Intangible assets	813	813	0	100	Payments for financial assets	768	768	0	100	Grand Total	3 249 020	3 176 409	72 611	98
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		<ul style="list-style-type: none"> The Departments must submit its audit action plans indicating the following: Each area of finding by the AGSA in the 2019/20 financial year; Plan by the Department to address the area of finding; Time frame and progress of implementation as at 31st March 2021. The Department must thereafter submit quarterly progress on the implementation of the audit action plans for 2020/21 until 30th October 2021. 	<p>The Department has in the financial year 2021/22 managed to spend 98% of its allocated budget of R3,2 billion. This was made necessary by committees such as BMT (Broad management team), SMT (Senior Management team) and EMT (Executive management team) through their participation on interventions on budget and expenditure management throughout the financial year.</p> <p>The Department is currently working on intervention processes that deal with Infrastructure spending which experienced challenges on the implementation of projects and as a result only 20% of the allocated budget was spent.</p> <div data-bbox="347 987 639 1512"> <p>AGSA ACTION PLANS STATUS AS AT 17/05/2022</p> <table border="1"> <thead> <tr> <th>Status</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Fully Achieved</td> <td>86%</td> </tr> <tr> <td>On-track with minor issues</td> <td>6%</td> </tr> <tr> <td>Off-track require intervention</td> <td>5%</td> </tr> <tr> <td>Not yet due</td> <td>3%</td> </tr> </tbody> </table> </div> <ul style="list-style-type: none"> The dashboard above shows the implementation status of 2020/21 AGSA action plans as at 17 May 2022. The department has fully implemented 86% of the AGSA action plans, with 6% on track with minor issues, while 5% of the action plans are off-track and require intervention. All outstanding action plans will be carried over to the 2022/23 Audit Improvement Plan (AIP) and be tracked through weekly AG War Room meetings. Refer to the attached Annexure C and D for the detailed progress, (Audit Improvement Plan with detailed findings and Action Plans). 	Status	Percentage	Fully Achieved	86%	On-track with minor issues	6%	Off-track require intervention	5%	Not yet due	3%	<p>Yes</p>
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Fully Achieved	86%													
On-track with minor issues	6%													
Off-track require intervention	5%													
Not yet due	3%													



9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Department has established an internal control function to ensure effective and efficient management of audit queries and implementation of action plans to respond and address audit matters, queries, control weaknesses raised by the Auditor-General South Africa (AGSA).

The below table illustrates the nature of non-compliance in the financial year in which the matters were initially raised, and the progress made in clearing and or resolving the matter.

Matters raised by the AGSA

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
<p>The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the PFMA (1999, as amended).</p> <p>Material misstatements of some disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion</p>	2013/14	<p>The Department has significantly improved the quality of the financial statements submitted for audit. During the audit of 2021/2022 financial statements did not have material misstatements, this is due to the improved control environment culture cultivated through the AG War room, stringent review of financial statements by both Finance team and internal control unit.</p>
<p>Some contractual obligations and money owed by the Department were not settled within 30 days or an agreed period, as required by section 38(1)(f) of the PFMA (1999, as amended) and Treasury Regulation 8.2.3</p>	2013/14	<p>The Department has established a Payment War Room to fast-track payment of suppliers within 30 days.</p> <p>This process has assisted the department to improve the payment of suppliers within 30 days considerably. The department achieved 100% payment of suppliers within 30 days between August 2022 to December 2022.</p>

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
Effective and appropriate steps were not taken to prevent irregular expenditure as disclosed in notes to the financial statements, as required by section 38(1)(c)(ii) of the PFMA (1999, as amended) and Treasury Regulation 9.1.1	2013/14	Compliance reviews are conducted through Internal auditors (Gauteng audit services), Probity auditors and internal control unit to ensure that the Department complies with procurement regulations. This process has assisted the Department in ensuring that non-compliance is detected, prevented, and corrected timeously.

10. INTERNAL CONTROL UNIT

The Internal Control function within the DID is tasked with the responsibility of maintaining sound internal control environment, assisting the department to implement effective governance frameworks, and facilitation of compliance driven culture within the organisation. The Internal Control unit assisted the Department in developing an Audit Improvement Plan (AIP) to address internal control deficiencies identified during audits conducted by both Gauteng Audit Services (GAS) and the AGSA.

During the 2022/23 financial period, the Internal Control Unit supported the Department in developing and implementing audit action plans designed to strengthen internal control structures and processes for financial reporting, supply chain management, and performance management in response to findings and recommendations of the Auditor-General and Internal audit. The following internal control assessments were also conducted:

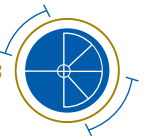
- Assessment of integrity and reliability of financial and non-financial reports;
- Compliance reviews with all applicable legislations, policies, and procedures;
- Review of interim and Annual Financial Statements and performance reports; and
- Review of Immovable Asset Register to ensure rights and ownership, completeness, classification, accuracy, valuation and presentation and disclosure of immovable assets.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of the internal audit

An internal audit is a managerial tool that serves to improve processes and internal controls within a department. Internal Audit's objective is to provide an assessment of the department's risks, control environment, and operational effectiveness. Through the Internal Control Unit, the Department sourced the service of the GAS to ensure the following services is rendered:

- Consistently reviewing departmental business practices.
- Evaluating that risk management procedures are in place.
- Implementing controls to protect against fraud and theft of the departmental assets and service rendered value for money.



- Ensuring laws and regulations are compliant.
- Making recommendations on process improvement.

Key activities and objectives of the audit committee

According to the Audit Committee Charter, the following are fundamental responsibilities and primary objectives of the committee:

Primary Objectives

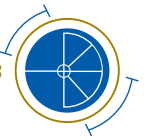
- To enforce and strengthen accountability from institutions, improve the internal control environment and promote the culture of professional ethics and good governance.
- To ensure the availability of a well-resourced, functional and sustained internal audit function.
- To ensure sound relationships with all assurance providers, oversight structures and other stakeholders to achieve an effective combined assurance system.
- To ensure effective and efficient internal and external audit processes in a coordinated manner.
- To promote sound functional interaction between the internal audit and other assurance providers.
- To ensure adequate and effective corporate governance, encompassing fraud and risk management, information management, internal control, financial management and reporting systems.
- To enforce accountability in terms of financial and performance management for effective service delivery.
- To ensure compliance with relevant laws and regulations.

Fundamental responsibilities

- Review, amend and adopt the GPG Audit Committee Charter annually or sooner if deemed necessary.
- Assess the processes related to the risk and control environment pertaining to each GPG institution in that cluster.
- Oversee the financial, non-financial reporting process, as well as IT governance, evaluate the internal and external audit process.
- Foster and improve open communication and contact among relevant stakeholders in the institution in that cluster.
- Assess the relevance of and credibility of the outcome of the institution predetermined objectives, counsel and monitor the implementation of action plans.
- Review the governance arrangements, processes and structures, as well as information relating to the adequacy, efficiency and effectiveness of internal controls relating to ICT.
- Report on the acceptability of the quarterly reports submitted to Provincial/National Treasury and should ensure that Internal Audit provides assurance on a quarterly basis and monitors implementation of action plans.
- The Cluster Audit Committee shall make recommendations to HoDs who then retain the responsibility for implementing such recommendations.

Information on the Audit Committee members

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Vishnumurthie Kista Naicker	<ul style="list-style-type: none"> • Bachelor of Commerce (Accounting and Economics) • Higher Diploma in Taxation • Business Management Diploma • Systems Administration Diploma 	External	-	11 August 2020	Current	
Mmathebe Annah Faith Moja	<ul style="list-style-type: none"> • Masters in Business Leadership • Advanced Treasury Management • Bachelor of Commerce 	External	-	11 August 2020	Current	
Mduduzi Mike Sibeko	<ul style="list-style-type: none"> • MDP: B-BBEE • Master of Business Administration • Postgraduate Diploma: Integrated Reporting • BTech: Internal Audit • National Diploma: Internal Audit 	External	-	1 August 2022	Current	



12. AUDIT COMMITTEE REPORT

Report of the Audit Committee – Cluster 04

Gauteng Department of Infrastructure Development

We are pleased to present our report for the financial year ended 31 March 2023.

Audit Committee and Attendance

The Audit Committee consists of the external Members listed hereunder and is required to meet a minimum of at least two times per annum as per the provisions of the Public Finance Management Act, 1999 (Act Number 1 of 1999) (PFMA). In terms of the approved Terms of Reference (GPG Audit Committee Charter),

Five meetings were held during the current year i.e. three meetings to consider the Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor-General of South Africa's Audit and Management Reports.

Non-Executive Members

Name of Member	Number of Meetings attended.
Mr. Vishnumurthie Kista Naicker (Chairperson)	05
Ms. Mmathebe Annah Faith Moja	05
Mr. Mduduzi Mike Sibeko	05

Executive Members

In terms of the GPG Audit Committee Charter, officials listed hereunder are obliged to attend meetings of the Audit Committee:

Compulsory Attendees	Number of Meetings Attended
Mr. Thulani Mdadane (Accounting Officer)	02
Ms. Masabata Mutlaneng (Accounting Officer)	02
Ms. Neo Mosebo (Acting Accounting Officer)	01
Ms. Norah Lion (Chief Financial Officer)	05
Mr. Tshepo Mmamaro (Chief Risk Officer)	04
Mr. Muzi Sithebe (Acting Chief Risk Officer)	01
Mr. Velile Kweyama (Chief Audit Executive)	05

The Committee observed that the Accounting Officer attended five (5) of the scheduled Audit Committee meetings. The Audit Committee is therefore satisfied that the Department adhered to the provisions of the GPG Audit Committee Charter regarding the Accounting Officer's representation.

The Members of the Committee met with the Senior Management of the Department and Internal Audit collectively to highlight risks and address challenges facing the Department. A number of in-committee meetings were held to address internal control weaknesses and unresolved deviations within the Department.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.



The effectiveness of internal control

The overall assessment of the internal control environment is adequate but ineffective, based on the results of the Internal Audit's audits and follow-up reviews. The management of the Department continues to be committed to implementing the necessary corrective actions to achieve the desired improvement in the internal control environment.

The Audit Committee will continue to monitor the Department's efforts to improve the effectiveness of controls in the following areas:

- Property Management - Lease Administration, Revenue and Asset Disposal.
- Occupational Health and Safety (OHS)
- Supply Chain Management
- Infrastructure Projects Delivery: Construction- Education
- Management of the Expanded Public Works Program
- Leave Management
- Information Technology Controls

Information and Communication Technology (ICT) Governance

Based on the findings of audits conducted by both the Gauteng Audit Services and the Auditor General, the Department should strengthen the adequacy and effectiveness of internal controls pertaining to ICT governance, business continuity, and ICT general controls in the next financial year.

Internal Audit

The Accounting Officer is obliged, in terms of the PFMA, to ensure that the Department has a system of internal audit under the control and direction of the Audit Committee. In the case of the Gauteng Provincial Government (GPG), the Internal Audit Function is shared amongst Entities and departments in the province and is accountable to the Audit Committee.

The Internal Audit team executed and substantially completed the risk-based audit plan. The Audit Committee is confident that the Internal Audit plan has a clear alignment with the key risks, sufficient coverage of information systems, and a good balance among the various audit categories, i.e., risk-based, mandatory, performance, computer, and follow-up audits.

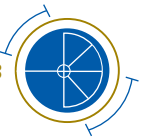
The coordination between internal audit and the Auditor-General to provide assurance services has been strengthened over the past year. The Committee views this as a key step towards a fully functioning integrated assurance system.

A Quality Assurance Review (external assessment) was performed by an external independent reviewer during the year and Internal Audit was assessed to be Generally Conformant with the International Standards for Professional Practice of Internal Auditing.

The Audit Committee will continue to review the Internal Audit function's assigned capacity and resources.

Risk Management

The Audit Committee is accountable for monitoring the department's risk management operations. Our oversight extends to the review of reports presented by the Risk Management Committee, which directly reports to us on how risks are managed within the department. After a thorough examination of the risk register and subsequent reports, we acknowledge and commend the progress in maturing of the risk management processes. To effectively manage the significant risk exposures faced by the Department, however, it is obvious that some processes and regulations must be modified. The management team must ensure that the department's strategic register is completed on time. This ensures



that risk mitigation strategies exist and can be implemented efficiently.

Management is responsible for fully owning and directing the Enterprise Risk Management Process. This includes providing unwavering assistance to the Chief Risk Officer in an effort to improve the Department's risk management performance. As the Audit Committee, we anticipate and look forward to seeing the department's risk management efforts continue to develop and mature.

Performance Management

The Audit Committee's review of the effectiveness and functionality of the performance management system (including an analysis of management-prepared quarterly performance reports and related internal audit reports) revealed the need to strengthen the current performance management and reporting system.

The quality of quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

The Audit Committee reviewed the quality, accuracy, usefulness, reliability and appropriateness of quarterly and annual financial reporting and the Audit Committee is satisfied with the content and quality of financial and non-financial quarterly reports prepared and submitted by the Accounting Officer of the department during the year under review and confirms that the reports were in compliance with the statutory reporting framework. The Audit Committee would like to commend the department for reporting monthly and quarterly to Treasury as is required by the PFMA. The Audit Committee recommends that the department ensure better compliance with section 40(1) of the PFMA, in so far as management's review and monitoring of financial reports and performance information reports.

Compliance with the relevant laws and regulations

During the year, the Audit Committee, Management, Internal Audit, and Auditor-General of South Africa identified a number of instances of non-compliance with enabling laws and regulations. As a result, the Audit Committee suggested the establishment and implementation of an effective compliance management system to address issues of non-compliance with laws and regulations.

Forensic Investigations

During the period under review, three new cases were reported to Provincial Forensic Services. The Audit Committee commends Management for implementing one hundred percent of the recommendations on consequence management from 2016/17 to 2019/20 but is concerned about the execution of just 25 percent of the recommendations for 2021/23 financial years.

The Audit Committee is concerned that the Provincial Forensics Services lack the capacity to investigate and resolve all reported cases in a timely manner; however, the commitment by the Office of the Premier to capacitate the unit is welcomed.

Evaluation of Annual Financial Statements

Prior to submission to the AGSA for auditing purposes, the Audit Committee evaluated the Department's Annual Financial Statements.

The Audit Committee agrees with and accepts the Auditor-General of South Africa's conclusions regarding the Annual Financial Statements and recommends that the audited Annual Financial Statements be accepted and read alongside the Auditor-General's report.

Evaluation of Annual Report

The Audit Committee undertook the following activities related to annual report:

- Audit Committee evaluated final draft Annual Report (including performance report) the audit committee meeting held on 24th July 2023 and noted the achievement for the year under review and recommended it.

Audit Improvement Plan

The Audit Committee assessed and tracked the execution of the previous year's audit findings on a quarterly basis. The Audit Committee believes there is room for improvement in this area, especially in terms of timely implementation, resolution of findings, and addressing the root causes of the Auditor-Generals findings and recommendations.

One-on-One Meeting with the Accounting Officer

The Audit Committee has met with the Accounting Officer of the Department to discuss concerns and address challenging issues affecting the Department's control environment.

One-on-One Meetings with the Executive Authority

The Audit Committee has met with the Executive Authority for the Department to apprise the MEC on the performance of the Department.

Conclusion

The leadership of the management team, improvements to risk management and internal controls, and the improvement of financial statements place the Department on a path of sustained delivery of its core mandate. The momentum will be boosted further by correcting the identified weaknesses.

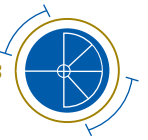
The Audit Committee urges the department to focus on the root-cause identification and analysis, consequence management, and regular audit action plan monitoring in order to achieve the essential effectiveness in governance, accountability, and clean administration.

A continued improvement in communication between the Accounting Officer, Senior Management, the Auditor-General of South Africa, and the Internal Audit Function is encouraged and valued by the Audit Committee, and if it continues, it can boost the Province's Corporate Governance initiatives.

As chair of the Audit Committee, I would like to convey our sincere gratitude to all stakeholders involved. We sincerely value the continued commitment and attention displayed by the Department Head, the Management team, Internal Audit, the Provincial Treasury, and other contributing Departments.



Mr. Vishnu Naicker
Chairperson of the Audit Committee
Date:



13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

B-BBEE requirements

Has the Sphere of Government / Public Entity / Organ of State applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following?		
Criteria	Response Yes / No	Discussion <i>(Include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law.	No	Not Applicable
Developing and implementing a preferential procurement policy.	Yes	The Department has a SCM Policy that is in line with the Preferential Procurement Framework Act 2000 and its Regulations.
Determining qualification criteria for the sale of state-owned enterprises.	No	Not Applicable
Developing criteria for entering partnerships with the private sector.	No	This will be included in the terms of reference if such projects/ service request arises.
Determining criteria for the awarding of incentives, grants, and investment schemes in support of Broad Based Black Economic Empowerment.	No	Not Applicable





15500

15500

15500

15M²

8M²

18M²

840

1500

4120

3000

5150

3700

2585

3000

715

3000

3000

400

2450

2450

1150

1150

1150

1150

1150

1150

1150

1150



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 Department continues to strive towards provisioning adequate capacity with a particular focus on the recruitment and development of technical professionals. The employee performance management process for the non-SMS and OSD is guided by the GPCCBC Performance Management Policy and for the SMS Members it is guided by the Department of Public Service and Administration (DPSA) Chapter 4 of the SMS Handbook. This performance management cycle covers the whole planning cycle of Government, which is from 1 April to 31 March of the following year. The regular performance feedback sessions take place on quarterly basis for the non-SMS Members and the half yearly for SMS Members to remedy areas of under-performance and intervention actions to enhance and accelerate exceptional to outstanding performance. This Human Resource Management approach is aimed at providing efficient and effective infrastructure delivery for the Gauteng Province.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

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

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

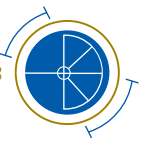
Table 3.1.1: Personnel expenditure by programme for the period 1 April 2022 and 31 March 2023

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	448 389	237 188	11 155	-	53%	382
Public Works	2 670 562	824 872	-	-	31%	374
EPWP	123 530	89 910	-	-	73%	371
Total	3 242 482	1 151 970	11 155	-	36%	376

*Personnel expenditure extracted from BAS.

Table 3.1.2: Personnel costs by salary band for the period 1 April 2022 and 31 March 2023

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)	R54,020	5	282	R192
Skilled (level 3-5)	R272,287	25	1073	R254
Highly skilled production (levels 6-8)	R279,613	26	704	R397



Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Highly skilled supervision (levels 9-12)	R376,784	35	534	R706
Senior and Top management (levels 13-16)	R86,272	8	70	R1232
Interns & Learners	R8,047	1	199	R40
Total	R1 077 023	100	2862	R376

Table 3.1.3: Salaries, Overtime, Home-Owners Allowance and Medical Aid by programme for the period 1 April 2022 and 31 March 2023

Programme	Salaries		Overtime		Home-Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	R158	15	R0	0	R8	1	R10	1
Public Works	R519	48	R27	3	R36	3	R51	5
EPWP	R18	2	0	0	R1	0	R1	0
Total	R695	64	R27	3	R45	4	R62	6

Table 3.1.4: Salaries, Overtime, Home-Owners Allowance and Medical Aid by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Salaries		Overtime		Homeowners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	R29	3	R2	0.2	R4	0.37	R7	0.65
Skilled (level 3-5)	R163	15	R12	1.1	R16	1.52	R27	2.50
Highly skilled production (levels 6-8)	R185	17	R10	0.9	R11	1.01	R18	1.63
Highly skilled supervision (levels 9-12)	R261	24	R3	0.3	R11	0.98	R9	0.85
Senior management (level 13-16)	R56	5	0	0.0	R3	0.26	R1	0.09
Total	R694	64	R27	2.5	R44	4.13	R62	5.72

3.2 Employment and Vacancies

The tables in this section summarise the position about employment and vacancies. The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables:

- Programme;
- Salary band; and
- Critical occupations (see definition in notes below).

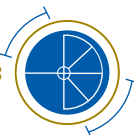
Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1: Employment and vacancies by programme as on 31 March 2023

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	404	327	19	15
Public Works	2440	2049	16	27
EPWP	46	44	4.35	5
Total	2890	2420	470 (16%)	47

Table 3.2.2: Employment and vacancies by salary band as on 31 March 2023

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	407	339	17	4
Skilled (3-5)	928	774	17	0
Highly skilled production (6-8)	421	330	22	8
Highly skilled supervision (9-12)	255	234	8	26
OSD: Engineers and related	180	137	24	2
OSD: Legal Admin Officers	8	4	50	1
OSD: Artisan	624	541	13	3
Senior management (13-16)	67	61	9	3
Total	2890	2420	470 (16%)	47

**Table 3.2.3: Employment and vacancies by critical occupations as on 31 March 2023**

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
All Artisans in the building metal machinery	624	541	13	3
OSD: Engineering and Related Professionals	180	137	24	2
OSD: Legal Admin Officer	8	4	50	1
Total	812	682	130 (16%)	6

3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1: SMS post information as on 31 March 2023

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 15	4	3	75	1	25
Salary Level 14	13	13	100	0	0
Salary Level 13	49	44	89.8	5	10.2
Total	67	61	91.04	6	8.95

Table 3.3.2: SMS post information as on 30 September 2022

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 15	4	4	100	0	0
Salary Level 14	13	12	92	1	8
Salary Level 13	49	43	88	6	12
Total	67	60	90	7	10

Table 3.3.3: Advertising and filling of SMS posts for the period 1 April 2022 and 31 March 2023

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

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 2022 and 31 March 2023

Reasons for vacancies not advertised within 6 months
All vacancies advertised within 6 months

Reasons for vacancies not filled within 12 months
Director: Hospital Infrastructure Delivery was advertised on six (6) occasions. The department had prioritised to fill this vacancy with a female candidate in line with the Employment Equity Plan of the department. However, through five (5) rounds of adverts and shortlisting the panel was not able to identify suitably qualified female candidates. The panel eventually was able to identify suitably qualified female candidates during the sixth (6) round of adverts and shortlisting.

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 2022 and 31 March 2023

Reasons for vacancies not advertised within six months
N/A

Reasons for vacancies not filled within six months
Difficulty in attracting candidates who meet the SMS minimum requirements as determined by DPSA Directive.

3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

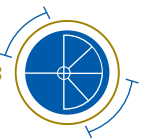


Table 3.4.1: Job Evaluation by Salary band for the period 1 April 2022 and 31 March 2023

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% Of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% Of posts evaluated	Number	% Of posts evaluated
Lower Skilled (Levels 1-2)	407	407	100	0	0	0	0
Skilled (Levels 3-5)	928	922	99	0	0	0	0
Highly skilled production (Levels 6-8)	421	393	93	0	0	0	0
Highly skilled supervision (Levels 9-12)	255	211	83	0	0	0	0
Senior Management Service Band A	49	32	65	0	0	0	0
Senior Management Service Band B	13	12	92	0	0	0	0
Senior Management Service Band C	4	2	50	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
OSD	812	812	100	0	0	0	0
Total	2890	2791	97	0	0	0	0

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

Table 3.4.2: Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2022 and 31 March 2023

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

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

Table 3.4.3: Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2022 and 31 March 2023

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

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.4.4: Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2022 and 31 March 2023

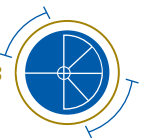
Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0
Total number of Employees whose salaries exceeded the grades determine by job evaluation					0

3.5. Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Table 3.5.1: Annual turnover rates by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Number of employees at beginning of period-1 April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	339	20	3	0.88
Skilled (Levels 3-5)	794	62	40	5.03
Highly skilled production (Levels 6-8)	317	41	38	11.98
Highly skilled supervision (Levels 9-12)	255	19	7	2.74
Artisan & Related professions	516	42	39	7.55
OSD (Legal Admin)	7	1	1	14.28
OSD (Engineers and related professions)	182	22	23	12.63
Senior Management Service Bands A	46	1	6	13.04
Senior Management Service Bands B	14	0	0	0
Senior Management Service Bands C	4	0	0	0
Senior Management Service Bands D	1	1	0	0
Contracts	7	9	0	0
Total	2482	218	157	6.32

**Table 3.5.2: Annual turnover rates by critical occupation for the period 1 April 2022 and 31 March 2023**

Critical occupation	Number of employees at beginning of period-April 2022	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
All artisans in the building and machinery	516	42	57	11.04
Engineering and Related Professionals	182	22	23	12.63
Total	698	64	80	11.46

The table below identifies the major reasons why staff left the department.

Table 3.5.3: Reasons why staff left the department for the period 1 April 2022 and 31 March 2023

Termination Type	Number	% Of Total Resignations
Death	13	0.52
Resignation	67	2.29
Expiry of contract	14	0.56
Dismissal – misconduct	6	0.24
Discharged due to ill-health	1	0.04
Retirement	29	1.16
Transfer to other Public Service Departments	27	1.08
Other	0	0
Total number of employees who left as a % of total employment	157	6.32

Table 3.5.4: Promotions by critical occupation for the period 1 April 2022 and 31 March 2023

Occupation	Employees 1 April 2022	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
All artisans in the building and machinery	516	40	7.75%	358	69,38
Engineering and Related Professionals	182	6	3.29%	78	42,86
Total	698	46	6.59%	436	62,46

Table 3.5.5: Promotions by salary band for the period 1 April 2022 and 31 March 2023

Salary Band	Employees 1 April 2022	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)	339	0	0%	295	87%
Skilled (Levels 3-5)	794	10	1.25%	656	83%
Highly skilled production (Levels 6-8)	321	34	10.59%	275	86%
Highly skilled supervision (Levels 9-12)	258	15	5.81%	161	62%
Senior Management (Level 13-16)	65	2	3.07%	26	40%
Artisan & Related professions	516	40	7.75%	358	69%
OSD (Legal Admin)	7	0	0.00%	2	29%
OSD (Engineers and related professions)	182	6	3.29%	78	43%
Total	2482	107	4.31%	1851	75%

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 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials, and managers	36	2	2	0	22	1	1	0	64
Professionals	81	1	8	6	39	1	2	1	139
Technicians and associate professionals	139	4	0	8	109	4	1	2	267
Clerks	206	4	3	9	297	8	0	22	549
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	387	12	2	35	108	0	0	0	544
Plant and machine operators and assemblers	273	7	0	10	123	1	0	0	414
Elementary occupations	273	4	0	5	207	1	0	0	490
Total	1395	34	15	73	905	16	4	25	2467
Employees with disabilities	39	2	0	5	12	1	0	3	62

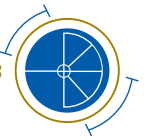


Table 3.6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	3	0	0	0	5
Senior Management	34	2	2	0	19	1	1	0	59
Professionally qualified and experienced specialists and mid-management	273	7	8	25	151	5	3	3	475
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	129	3	2	5	184	5	0	9	337
Semi-skilled and discretionary decision making	774	16	3	42	396	4	0	13	1248
Unskilled and defined decision making	183	6	0	1	152	1	0	0	343
Total	1395	34	15	73	905	16	4	25	2467

Table 3.6.3: Recruitment for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	0	0	1	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	11	0	2	0	9	0	1	0	23
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	33	0	0	0	9	0	0	0	42
Semi-skilled and discretionary decision making	29	2	0	0	28	0	0	0	59
Unskilled and defined decision making	47	0	0	0	35	0	0	0	82
Total	120	2	3	0	82	0	1	0	208
Employees with disabilities	0	1	0	0	0	0	0	0	1

Table 3.6.4: Promotions for the period 1 April 2022 to 31 March 2023

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	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	2	0	0	0	4	0	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	28	0	0	0	12	0	0	0	40
Semi-skilled and discretionary decision making	24	0	0	0	23	2	0	0	49
Unskilled and defined decision making	5	0	0	0	5	0	0	0	10
Total	61	0	0	0	44	2	0	0	107
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5: Terminations for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	3	0	1	0	0	1	0	0	5
Professionally qualified and experienced specialists and mid-management	27	0	1	1	15	0	0	2	46
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	37	0	0	3	19	0	0	1	60
Semi-skilled and discretionary decision making	32	0	0	0	10	0	0	0	42
Unskilled and defined decision making	1	0	0	0	0	2	0	0	3
Total	100	0	2	4	45	3	0	3	157
Employees with Disabilities	1	0	0	1	1	0	0	0	3

Table 3.6.6: Disciplinary action for the period 1 April 2022 to 31 March 2023

Disciplinary action	Male 94				Female 29				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	88	0	0	6	26	0	0	3	123

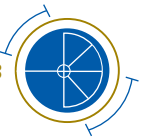


Table 3.6.7: Skills development for the period 1 April 2022 to 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials, and managers	15	0	1	0	17	0	1	0	34
Professionals	110	2	5	3	95	7	0	0	222
Technicians and associate professionals	129	8	3	5	105	5	1	1	257
Clerks	170	9	1	0	321	14	0	3	518
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	182	2	0	1	138	0	0	0	323
Plant and machine operators and assemblers	36	0	0	0	22	0	0	0	58
Elementary occupations	49	0	0	0	33	0	0	0	82
Total	691	21	10	9	731	26	2	4	1494
Employees with disabilities	11	0	0	0	5	0	0	2	18

3.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 3.7.1: Signing of Performance Agreements by SMS members as on 31 May 2022

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-16	1	1	1	100%
Salary Level 15	4	4	2	50%
Salary Level 14	13	13	10	77%
Salary Level 13	49	46	45	98%
Total	67	64	58	91%

Table 3.7.2: Reasons for not having concluded Performance Agreements for all SMS members as on 31 May 2022

Reasons
1 SMS member seconded:
• 1x DDG – Dept of COGTA
3 SMS suspended:
• 1X DDG
• 2 X Chief Directors

Table 3.7.3: Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2022

Reasons
None

3.8. Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 3.8.1: Performance Rewards by race, gender, and disability for the period 1 April 2022 to 31 March 2023

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% Of total within group	Cost (R'000)	Average cost per employee
African	1 606	2 300	70%	R6 063	R3 775
Male	972	1 395	70%	R3 756	R3 864
Female	634	905	70%	R2 308	R3 640
Asian	10	19	53%	R85	R8 500
Male	8	15	53%	R57	R7 125
Female	2	4	50%	R28	R14 000
Coloured	29	50	58%	R120	R4 138
Male	22	34	65%	R76	R3 455
Female	7	16	44%	R44	R6 286
White	85	98	87%	R494	R5 812
Male	64	73	88%	R387	R6 047
Female	21	25	84%	R107	R5 095
Total	1 730	2467	70%	R13 525	R 7 818

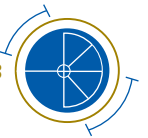


Table 3.8.2: Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2022 to 31 March 2023

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)	264	343	77%	R466	R1 766	6.8%
Skilled (level 3-5)	595	774	77%	R1 436	R2 413	21.21%
Highly skilled production (level 6-8)	204	338	60%	R913	R4 474	13.5%
Highly skilled supervision (level 9-12)	146	269	54%	R1 241	R8 500	18.31%
Artisan & related professionals	448	544	82%	R1 720	R3 839	25.4%
Engineering & related professionals	71	139	51%	R965	R13 592	14.2%
OSD (Legal Personnel)	2	5	40%	R23	R11 500	0.3%
Total	1730	2412	70%	R6 764	R2 260	100%

Table 3.8.3: Performance Rewards by critical occupation for the period 1 April 2022 to 31 March 2023

Critical occupation	Beneficiary Profile		Cost		
	Number of beneficiaries	Number of employees	% Of total within occupation	Total Cost (R'000)	Average cost per employee
Artisan & related professionals	448	544	82%	R1 720	R3 839
Engineering & related professionals	71	139	51%	R965	R13 592
Total	519	683	81%	R 2 685	R5 172

- Performance bonuses were not implemented as per the DPSA Incentive Policy Framework (2019)

Table 3.8.4: Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2022 to 31 March 2023

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% Of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	27	45	60%	R471	R17 444	79%
Band B	6	14	43%	R127	R21 167	21.%
Band C	0	4	0%	R0	R0	0%
Band D	0	1	0%	R0	R0	0%
Total	33	64	52%	R598	R18 121	100%

- NB: Performance bonuses were not implemented as per the DPSA Incentive Policy Framework (2019)

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 2022 and 31 March 2023

Salary band	01 April 2022		31 March 2023		Change	
	Number	% Of total	Number	% Of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	2	33.33	2	33.33	0	0
Highly skilled supervision (Level. 9-12)	0	0	0	0	0	0
OSD: Engineers and related	3	50	3	50	0	0
Level 9-12	0	0	0	0	0	0
Level 13-16	1	16.66	1	16.66	0	0
Total	6	100	6	100	0	0

Table 3.9.2: Foreign workers by major occupation for the period 1 April 2022 and 31 March 2023

Major occupation	01 April 2022		31 March 2023		Change	
	Number	% Of total	Number	% Of total	Number	% Change
0	0	0	0	0	0	0

3.1 Leave Utilisation

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

Table 3.10.1: Sick leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% Of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	1077	13	137	12	8	R315
Skilled (levels 3-5)	3516	13	467	40	8	R1,520
Highly skilled production (levels 6-8)	2193	15	329	28	7	R1,679
Highly skilled supervision (levels 9-12)	1588	14	222	19	7	R2,686
Top and Senior management (levels 13-16)	188	14	26	2	7	R626
Total	8562	14	1181	100	7	R6,826

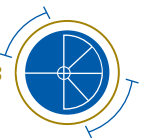


Table 3.10.2: Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2022

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)	98	100	14	54	7	R44
Highly skilled production (Levels 6-8)	249	100	8	30	31	R189
Highly skilled supervision (Levels 9-12)	271	100	5	19	54	R634
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	618	100	27	90	181	R867

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

Table 3.10.3: Annual Leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	4419	17	260
Skilled Levels 3-5)	19415	28	693
Highly skilled production (Levels 6-8)	13094	29	452
Highly skilled supervision (Levels 9-12)	9035	33	274
Senior management (Levels 13-16)	1222	24	51
Total	47185	131	2123

Table 3.10.4: Capped leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2022
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	3	1	3	3
Highly skilled production (Levels 6-8)	6	2	3	3
Highly skilled supervision (Levels 9-12)	28	1	28	28
Senior management (Levels 13-16)	0	0	0	0
Total	37	4	9	9

The following table summarise payments made to employees because of leave that was not taken.

Table 3.10.5: Leave payouts for the period 1 April 2022 and 31 March 2023

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2022/23 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payout on termination of service for 2022/23	R1 315	14	R94
Current leave payout on termination of service for 2022/23	R3 886	102	R38
Total	R5 201	116	R45

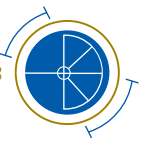
3.11 HIV/AIDS and Health Promotion Programmes

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 and related diseases (if any)	Key steps taken to reduce the risk
DID employees who work in the Department of Health facilities meet patients/members of public suffering from a variety of diseases such as TB, etc.	<ul style="list-style-type: none"> No incidents of such nature took place.

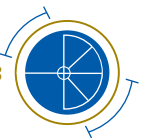
Table 3.11.2: Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

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.	√		Mr Theledi: Director: HRP and Employee Wellbeing
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.	√		<p>The Department has Employee Health and Wellness Programme Unit at Head Office and in all regional offices.</p> <p>The unit has 12 personnel and the budget allocated was R2 900 000.00 and the unit achieved the expected expenditure of 100% was achieved as at 31 March 2023.</p>



Question	Yes	No	Details, if yes
<p>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.</p>	√		<p>The Employee Assistance is implemented through the wellness Management pillar as guided by the DPSA EHW Strategic Framework</p> <p>The Department offers a workplace Employee Assistant program that is, effective and highly utilised. The Department has contracted with Life Health Solutions to provide counselling services to employees and their dependants.</p> <p>The department health and productivity management policy are in place and caters for the following:</p> <ul style="list-style-type: none"> • Support for short/ long-term ill health, incapacity management and ill health retirement; • Awareness and promotion of mental health and resilience building; • Routine onsite health checks and screening services for chronic and lifestyle diseases; and • Management of non-communicable and communicable diseases.
			<p>The services for Wellness Management include:</p> <ul style="list-style-type: none"> • Promotion of individual physical wellness; • Provision of individual psychosocial support; • Provision of organisational wellness; • Provision of work life balance interventions; and • Advisory services on life issues. <p>The health and productivity services include:</p> <ul style="list-style-type: none"> • Provision of work reintegration support to employees who are returning from long sick absences; • Provision of support to employees who are undergoing incapacity and ill health Retirement processes; and • Mental health and resilience building; and • Management of non-communicable and communicable diseases. <p>The HIV and AIDS, STI and TB Management services</p> <ul style="list-style-type: none"> • Provision of voluntary testing and counselling; Implementation of peer education programme; and Distribution of condoms; and HIV/AIDS, STI and TB education, and awareness through commemorative Health calendar of events.

Question	Yes	No	Details, if yes
<p>4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.</p>	√		<p>Peer Educator Committee:</p> <ul style="list-style-type: none"> • Rejoice Matlala • Tshepo Khuzani • Rondis Matroos • TP Malepe • Christopher Mashau • Lerato Kgwadi • Nolwandle Nyubantya • Elias Mphande • Joyce Chabalala • Suzan Koae • Herrieth Manyapwe • J Teffo • Seipati kele • Lesego Molwelang • Phindi Gule • Phethile Masango • Oupa Matinye • Nobayeni Velaphi • Kgomotso Ntsoko • Thandazile Matsaneng • Elsie Lekagane • Ketse Moja • Nthathi Dhlamini • Khezia Senne • Sibongile Mkhwanazi • Vusumuzi Mkhwanazi
<p>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.</p>	√		<p>The Department has reviewed the following policies which ensures protection against employees based on HIV.</p> <ul style="list-style-type: none"> • HIV/AIDS and TB Management; • Wellness Management; • SHERQ Management; and • Health and Productivity Management.



Question	Yes	No	Details, if yes
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.	√		<ul style="list-style-type: none"> HIV/AIDS and TB Management Policy is implemented to mitigate against stigma and discrimination; HIV, STI and TB Advocacy sessions are held to discuss a variety of chronic illness (including HIV/AIDS) stigma and human rights issues; Awareness and education on HIV, STI and TB treatment adherence and counselling; Information on HIV/AIDS is shared as part of Employee induction of new employees and behaviour change communication; Anonymous Health screenings including HIV Counselling and Testing services are provided through partnership with external service provider; and The Department has procured psychosocial services through an external provider (Life Health Solutions) in support of employees who are living with HIV employees. The services guarantee privacy, confidentiality, and convenience to provide support and Management of the disease.
7. Does the Department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	√		<ul style="list-style-type: none"> Voluntary counselling and testing is planned and conducted twice a year as part of Health screenings; and Health Risk Assessment by Gems – 191 employees participated in Tshwane, Tulisa park, Springs, Sedibeng and Westhowen.
Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	√		<p>The following measures/ indicators have been developed:</p> <ul style="list-style-type: none"> Number of employees participating in health education and advocacy programmes; Number of employees reached with health screenings and onsite testing services; Number of employees reached with health and wellness awareness sessions; Reduced number of communicable and non-communicable illness in the Department; Number of employees assessed and referred for management of psychosocial stressors; Number of policies and programmes reviewed and implemented; Number of Employees trained/ reached with health and wellness information; and Number of work-related risks identified and assessed.

3.12 Labour Relations

Table 3.12.1: Collective agreements for the period 1 April 2022 and 31 March 2023

Subject matter	Date
Total number of Collective agreements	0

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

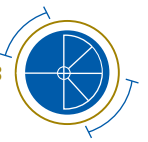
Table 3.12.2: Misconduct and disciplinary hearings finalised for the period 1 April 2022 and 31 March 2023

Outcomes of disciplinary hearings	Number	% Of total
Correctional counselling	1	1
Verbal warning	15	12
Written warning	32	26%
Final written warning	28	23%
Suspended without pay	1	1%
Fine	0	0%
Demotion	0	0%
Dismissal/terminations	15	12%
Not guilty	0	0%
Case withdrawn	7	6%
Case Closed	25	20%
Total	124	100

Total number of Disciplinary hearings finalised	7
-------------------------------------------------	---

Table 3.12.3: Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 and 31 March 2023

Type of misconduct	Number	% Of total
Absenteeism/Abscondment	28	22%
Theft	7	6%
Failure to carryout lawful instruction/process	9	7%
Misuse of GG vehicle	1	1%
Harassment	1	1%
Improper behaviour	7	6%
Negligence	8	7%
Failure to comply with the Act/Regulation	15	12%
Procurement Irregularities	7	6%
Misrepresentation	3	2%
Conduct private business in the property of the state	19	15%
Dereliction of duty	3	2%
Non -Disclosure	15	12%
Fraud	3	2%
Total	126	100%

**Table 3.12.4: Grievances logged for the period 1 April 2022 and 31 March 2023**

Grievances	Number	% Of Total
Number of grievances resolved	34	81%
Number of grievances not resolved	8	19%
Total number of grievances lodged	42	100%

Table 3.12.5: Disputes logged with Councils for the period 1 April 2022 and 31 March 2023

Disputes	Number	% Of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	9	45%
Number of disputes pending	11	55%
Total number of disputes lodged	20	100%

Table 3.12.6: Strike actions for the period 1 April 2022 and 31 March 2023

Total number of persons working days lost	1151
Total costs working days lost	R 178 468,50
Amount recovered because of no work no pay (R'000)	R 0

Table 3.12.7: Precautionary suspensions for the period 1 April 2022 and 31 March 2023

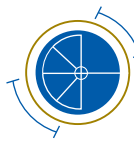
Number of people suspended	10
Number of people whose suspension exceeded 30 days	10
Average number of days suspended	327
Cost of suspension(R'000)	R 7 771

3.13 Skills development

This section highlights the efforts of the department about skills development.

Table 3.13.1: Training needs identified for the period 1 April 2022 and 31 March 2023

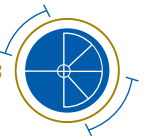
Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials, and managers	Female	25	0	24	6	30
	Male	40	0	26	4	30
Professionals	Female	60	0	91	12	103
	Male	122	0	210	8	218
Technicians and associate professionals	Female	161	0	92	14	106
	Male	211	0	122	6	128
Clerks	Female	262	0	278	30	308
	Male	161	0	161	20	181
Semi-Skilled	Female	6	0	0	0	0
	Male	7	0	0	0	0



Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	97	24	35	7	66
	Male	419	13	44	3	60
Plant and machine operators and assemblers	Female	123	0	35	6	41
	Male	288	0	59	4	63
Elementary occupations	Female	209	0	38	18	56
	Male	291	0	29	12	41
Sub Total	Female	943	24	593	93	710
	Male	1539	13	651	57	721
Total		2482	37	1244	150	1431

Table 3.13.2: Training provided for the period 1 April 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials, and managers	Female	25	0	18	0	18
	Male	40	0	16	0	16
Professionals	Female	60	0	97	5	102
	Male	122	0	111	9	120
Technicians and associate professionals	Female	161	0	89	23	112
	Male	211	0	107	38	145
Clerks	Female	262	0	309	29	338
	Male	161	0	172	8	180
Semi-Skilled	Female	6	0	0	0	0
	Male	7	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	97	24	108	6	138
	Male	419	13	148	24	185
Plant and machine operators and assemblers	Female	123	0	19	3	22
	Male	288	0	28	8	36
Elementary occupations	Female	209	0	19	14	33
	Male	291	0	28	21	49
Sub Total	Female	943	24	659	80	763
	Male	1539	13	610	108	731
Total		2482	37	1269	188	1494



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 2022 and 31 March 2023

Nature of injury on duty	Number	% Of total
Required basic medical attention only	12	100%
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	12	100%

3.15 Utilisation of Consultants

The following tables relates information on the utilisation of consultants in the department. In terms of the Public Service Regulations "consultant" means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- The execution of a specific task which is of a technical or intellectual nature but excludes an employee of a department.

Table 3.15.1: Report on consultant appointments using appropriated funds for the period 1 April 2022 and 31 March 2023

Project title	Total number of consultants that worked on project	Duration (workdays)	Contract value in Rand
Leave management	X1	237 working days (Pillar) (9 months)	R 197 505.00
Recruitment and Selection	X1	104 working days for recruitment agencies (4 months)	R 962 279.17

Table 3.15.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Leave Management	Proactive Health Solution (Pillar)	100% Black 0% Female 0% Youth 0% Disability	X1
Recruitment and Selection	Phulo	100% Black 100% Women 0% Youth 0% Disability	X7
	Tag me	100% Black 100% Women 0% Youth 0% Disability	
	Apricity	100%Black 100%Women 0%Youth 0%Disability	
	EQ plus Technologies	100%Black 100%Women 0%Youth 0%Disability	
	Phanda Personnel	30%Black 60%Women 0%Youth 0%Disability	
	CF & I Collective	100%Black 100%Women 0%Youth 0%Disability	
	Kwakhule	100%Black 100%Women 0%Youth 0%Disability	

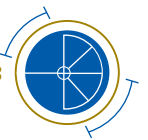


Table 3.15.3: Report on consultant appointments using donor funds for the period 1 April 2022 and 31 March 2023

Project title	Total Number of consultants that worked on project	Duration (Workdays)	Donor and contract value in Rand
Leave Management	X1	237	R 197 505.00
Recruitment and Selection	X1	104	R 962 279.17

Total number of projects	Total individual consultants	Total duration Workdays	Total contract value in Rand
4 Appointments done	X1	104	R 962 279.17
Leave management	X1	237	R 197 505.00

Table 3.15.4: Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Leave Management	Proactive Health Solutions 100%	100% Black 0% Female 0% Youth 0% Disability	X1
Recruitment and Selection	100%	Tag Me Phulo EQ plus Technologies Phanda Personnel Apricity CF & I Collective Kwakhle Staffing	X7

Project title	Total number of consultants that worked on project	Duration (workdays)	Contract value in Rand
Leave management	X1	237 working days (Pillar) (9 months)	R 197 505.00
Recruitment and Selection	X1	104 working days for recruitment agencies (4 months)	R 962 279.17

3.16 Severance Packages

Table 3.16.1: Granting of employee-initiated severance packages for the period 1 April 2022 and 31 March 2023

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





1800

3000

1400

4M²

840

4120

5150

400

18M²

1150

840

1520

4525

2520

950

1100

840

2500

4M²



Part | **E**
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Compliance
Report

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

1.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	2,019,051	1,679,451
Add: Irregular expenditure confirmed	158,243	339,600
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	2,177,294	2,019,051

The amount of R158 million is because of three quotations amounting to R5,7 million, expired leases amounting to R126 million, R11,9 million Women's Living Heritage Monument and security (SCM processes not followed) and R14 million for office space, respectively.

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment in 2022/23	-	-
Irregular expenditure that relates to 2022/23	-	-
Irregular expenditure for the current year	158,243	339,600
Total	158,243	339,600

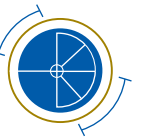
b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description ¹	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total²	-	-

Not applicable

1 Group similar items

2 Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)



c) Details of current and previous year irregular expenditure condoned

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

Not applicable

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

Not applicable

e) Details of current and previous year irregular expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	-	-
Total	-	-

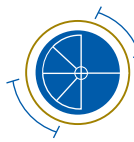
Not applicable

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

Not applicable

Additional disclosure relating to Inter-Institutional Arrangements



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

Description
There were no cases of such nature identified.
Total
Not applicable

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

Description	2022/2023	2021/2022
	R'000	R'000
Total	-	-
Not applicable		

i) Details of current and previous year disciplinary or criminal steps taken because of irregular expenditure

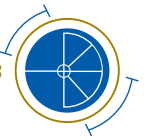
Disciplinary steps taken
-
Not applicable

1.2. Fruitless and Wasteful Expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	-	22,583
Add: Fruitless and wasteful expenditure confirmed	48,135	21,536
Less: Fruitless and wasteful expenditure written off	-	(44,119)
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	48,135	-

The amount of R48 million is because of a court order amounting to R39 million and R8 million for additional rental space.



Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	-	-
Fruitless and wasteful expenditure that relates to 2022/23	-	-
Fruitless and wasteful expenditure for the current year	48,135	21,536
Total	48,135	21,536

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

Description ³	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total⁴	-	-

Not applicable

c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered	-	-
Total	-	-

Not applicable

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off	-	(44,119)
Total	-	-

Not applicable

³ Group similar items

⁴ Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

e) Details of current and previous year disciplinary or criminal steps taken because of fruitless and wasteful expenditure

Disciplinary steps taken
Total
Not applicable

1.3. Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Opening balance	-	-
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable	-	-
Less: unauthorised not recovered and written off ⁵	-	-
Closing balance	-	-

Reconciling notes

Description	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure that was under assessment in 2022/23	-	-
Unauthorised expenditure that relates to 2022/23	-	-
Unauthorised expenditure for the current year	-	-
Total	-	-

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

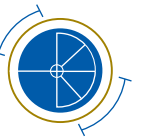
Description ⁶	2022/2023	2021/2022
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total⁷	-	-

Not applicable

⁵ This amount may only be written off against available savings

⁶ Group similar items

⁷ Total unconfirmed unauthorised expenditure (assessment), losses (determination), and criminal conduct (investigation)



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

a) Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct	2022/2023	2021/2022
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
Total	-	-

Not applicable

b) Details of other material losses

Nature of other material losses	2022/2023	2021/2022
	R'000	R'000
<i>(Group major categories, but list material items)</i>	-	-
Total	-	-

c) Other material losses recovered

Nature of losses	2022/2023	2021/2022
	R'000	R'000
<i>(Group major categories, but list material items)</i>	-	-
Total	-	-

Not applicable

d) Other material losses written off

Nature of losses	2022/2023	2021/2022
	R'000	R'000
<i>(Group major categories, but list material items)</i>	-	-
Total	-	-

Not applicable

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

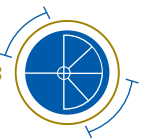
Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	228	144,884
Invoices paid within 30 days or agreed period	228	144,884
Invoices paid after 30 days or agreed period	0	0
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)	0	0
Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>)	0	0

Include reasons for the late and or non-payment of invoices, including reasons that the invoices are in dispute, where applicable.

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means: None for 2022-2023 FY

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Total				



3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation + Original Contract Value
				R'000	R'000	R'000
Park Homes at Jubilee, Kopanong, Tembisa, Leratong, and ODI Hospital	Moago Construction CC	Extension of time and usage of contingencies	DID 192/02/2016	R15,594,060.00	N/A	R15,645,877.08
Bertha Gxowa Hospital	Cool Breeze Airconditioning and Refrigeration	Extension of time and additional funds	DID 15/08/2019	R17,795,335.75	R3,097,621.97	R20,892,957.72
Leratong Hospital	Siyabonga Diplo Trading & Projects	Request for additional funds	N/A	R3,501,592.45	N/A	R3,759,581.25
Edenvale Hospital	Boiler and Stoker Spares	Request for additional funds	N/A	R2,254,575.00	N/A	R2,598,121.61
Delta Park Combined School	Nyeleti Consulting	Request for usage of CPAP	DID 181/11/2015	R11,373,017.90	N/A	R11,785,060.62
Marotola Primary School	Anita JV	Request for additional funds for additional work done	DID 148/08/2015	R47,350,347.79	N/A	R47,703,213.79
Braamfischerville Primary School	TCT Civil and Construction	Request for usage of CPAP	DID 29/12/2017	R89,255,085.60	N/A	R91,552,530.12
Phillip Moyo CHC	Temi Construction	Request for additional funds for extended scope	DID 44/11/2016	R42,559,880.27	N/A	R52,943,341.88
Precinct Buildings (11 Diagonal)	Remo Cleaning Services	Renewal of contract after expiration	N/A	R440,028.36	N/A	R 440 028.36 (18 months) R 24 446.02 (monthly)
Kromdraai Clinic	Kopanang Power Technologies	Variation for additional funds for extended work	N/A	R 184 287.50	N/A	R 211 988.06
Total						



EPWP

EPWP



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Information

EPWP

Report of the auditor-general to the Gauteng Provincial Legislature on vote no. 15: Gauteng Department of Infrastructure Development

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Gauteng Department of Infrastructure Development set out on pages 180 to 231, which comprise the appropriation statement, statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets and 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 Gauteng Department of Infrastructure Development as at 31 March 2023 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standards (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2022 (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

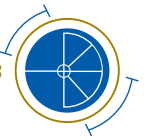
6. I draw attention to these matters below. My opinion is not modified in respect of these matters.

Significant uncertainty relating to contingent liabilities

7. With reference to note 17.1 to the financial statements, the department is the defendant in various lawsuits amounting to R317 579 000 (2022: R343 414 000). The ultimate outcome of the matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Underspending on the budget

8. As disclosed in the appropriation statement, the department materially underspent the budget by R112 753 000 on the following programmes:
 - administration, underspending of R30 849 000
 - public works, underspending of R55 815 000



- extended public works programme, underspending of R26 090 000

Other matter

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

Unaudited supplementary schedules

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

National Treasury Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework

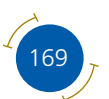
11. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 23 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of Department of Infrastructure Development. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS 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.
13. 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

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion.



Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

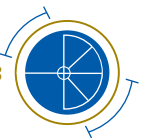
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

16. 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 selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
17. I selected the following programme presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes 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
Public works	47- 62	The purpose of the Public Works is to provide the core services includes planning, design and construction of infrastructure projects, the implementation of maintenance projects, property management (immovable asset management) and facilities management, and the provision of infrastructure research, policy, and systems.
Expanded public works programme	63 - 67	The purpose of the Expanded Public Works Programme (EPWP) is to coordinate the implementation of programmes and strategies that lead to the development and empowerment of communities and develop strategies to promote enterprise development. This encompasses the provincial coordination of the EPWP.

18. I evaluated the reported performance information for the selected programmes 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.
19. 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
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and 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 what was 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
- there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

20. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.
21. I did not identify any material findings on the reported performance information of public works.
22. I did not identify any material findings on the reported performance information of expanded public works programme.

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

24. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements. This information should be considered in the context of the material findings on the reported performance information.
25. The department plays a key role in delivering services to South Africans. The annual performance report includes the following service delivery achievements against planned targets:

Key service delivery indicators not achieved	Planned target	Reported achievement
Public Works		
<i>Targets achieved: 53%</i>		
<i>Budget spent: 98%</i>		
Number of properties transferred to the third parties	20	13
Number of GPG properties commercialised per annum	1	0
Number of immovable assets transferred from the Immovable Asset Register (IAR)	1700	0
Number of Infrastructure designs ready for tender (IDMS Gate 4)	22	12
Number of new (Educational, Health and STARS) construction projects completed	13	8
Number of facilities refurbished/renovated	11	6
Expanded Public Works Programme		
<i>Targets achieved: 33%</i>		
<i>Budget spent: 82.6%</i>		
Number of work opportunities created by Provincial Public Works	2 500	2 397
Number of EPWP participants successfully completed skills development programmes	2 500	1 907

26. Reasons for the underachievement of targets are included in the annual performance report on pages 47 to 67.

Material misstatements

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

Report on compliance with legislation

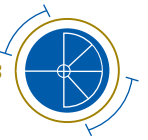
28. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
29. 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.
30. 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.
31. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure management

32. Effective and appropriate steps were not taken to prevent irregular expenditure, as disclosed in note 23 to the annual financial statements, as required by section 38(1) (c) (ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by the department contravening supply chain management in terms of competitive bidding and the quotations process.
33. Effective steps were not taken to prevent fruitless and wasteful expenditure, as disclosed in note 23 to the annual financial statements, as required by section 38(1) (c) (ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by interest paid as a result of late payments to suppliers.

Procurement and contract management

34. Some of the goods and services were procured without obtaining at least three written price quotations in accordance with treasury regulation 16A6.1, paragraph 3.3.1 of Practice Note 8 of 2007/08 and paragraph 3.2.1 of supply chain management instruction note 2 of 2021/22.



Other information in the annual report

35. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
36. My opinion on the financial statements, the report on the audit of the annual performance report and the report on 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.
37. 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 material indicators in the scoped-in programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
38. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

39. 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.
40. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
41. Senior management did not adequately monitor established controls and action plans to ensure that the performance reports are supported by complete, relevant and accurate information, and that laws and regulations are complied with.

Material irregularities

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

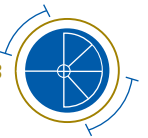
Material irregularities in progress

43. I identified material irregularities during the audit and notified the accounting officer of these, as required by material irregularity regulation 3(2). By the date of this auditor's report, the responses of the accounting officer were not yet due. These material irregularities will be included in the next year's auditor's report.

Status of previously reported material irregularity

Refurbishment of a private hospital without compensation for refurbishments done

44. Resources of the department were not utilised economically, as required by section 38(1) (b) of the PFMA. The department refurbished a privately owned hospital between April 2020 and March 2021 as per the lease agreement signed in March 2020 and April 2020. The lease agreement stated that any refurbishments done to the private hospital will be to the benefit of the lessor and no compensation would be paid to the department. By 31 March 2022, R492.9 million was spent on the refurbishments.
45. Gauteng Department of Infrastructure was managing the project on behalf of the Gauteng Department of Health.
46. The Gauteng Department of Health is likely to suffer a material financial loss if an amount of R492 855 808 spent on refurbishments is not recovered. The amount is disclosed in note 22 to the 2020-21 annual financial statements of Gauteng Department of Infrastructure Development.
47. The accounting officer was notified of the material irregularity on 22 July 2022 and invited to make a written submission on the actions taken and to be taken to address the matter.
48. An investigation that was conducted by the Special Investigating Unit (SIU) dated 10 December 2021 found that a lease agreement was concluded between the Departments of Infrastructure Development, Health and owners of the hospital.
49. The SIU applied to the Special Tribunal of South Africa for the draft settlement agreement between the SIU and owners of the hospital to be made an order of the tribunal. The matter was heard in November 2022. The options included in the draft settlement agreement are as follows:
 - o Gauteng provincial government to become registered title owner of the hospital and the residence, including parts of the land upon which these buildings are built on.
 - o Concluding of a long-term written lease agreement for a period of not less than 99 years between the owners of the hospital and Gauteng provincial government at no rental cost, and where the Gauteng provincial government will only be required to pay its pro rata or other fair contribution to the municipal services and other related services required for the operation of the hospital.
50. The accounting officer has taken the following actions to address the material irregularity:
 - o Initiated the process of updating the property lease policy to only allow refurbishments to be done on buildings owned by the Gauteng provincial government. The process is expected to be finalised by October 2023.
 - o An official from the Department of Infrastructure Development who signed the lease agreement was placed on suspension in 2021-22 financial year while the disciplinary process is on-going and it is expected to be finalised by 31 March 2024. In addition, an official from the Department of Health who also signed the lease agreement resigned from the employment of the department in October 2020.
51. I will follow up on the outcome of the application made to the Special Tribunal of South Africa and progress made on the updating of the policy during my next audit.



Other reports

52. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
53. The department initiated various investigations to probe alleged financial irregularities, financial misconduct and fraud that may have taken place at the department. These investigations were not yet finalised at the date of this auditor's report

Auditor General

Johannesburg

31 July 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

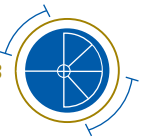
1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the department's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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
 - 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

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

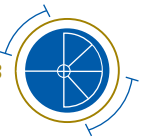


Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 1 Section 38(1)(a)(iv); 38(1)(b);38(1)(c);38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h) (iii); Section 39(1)(a); 39(2)(a); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(4); 44; 44 (1) and (2) ; 45(b); Section 50(3); 50(3)(a)
Treasury regulations	“Treasury Regulation 4.1.1; 4.1.3 Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Treasury Regulation 6.3.1(a); 6.3.1(b); 6.3.1(c’); 6.3.1(d); 6.4.1(b) Treasury Regulation 7.2.1 Treasury Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Treasury Regulation 9.1.1; 9.1.4 Treasury Regulation 10.1.1(a); 10.1.2 Treasury Regulation 11.4.1; 11.4.2; 11.5.1 Treasury Regulation 12.5.1 Treasury Regulation 15.10.1.2(c’) Treasury Regulation 16A3.1 ; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) ,(b) & (e) ; 16A 6.3(a); 16A 6.3(a)(i);16A 6.3(b); 16A 6.3(c);16A6.3(d) ; 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A7.1; 16A.7.3; 16A.7.6; 16A.7.7; TR 16A8.2 (1) and (2); 16A 8.3 16A8.3 (d); 16A 8.4; 16A9; 16A9.1; 16A9.1(b) (ii);16A9.1 (c); 16A 9.1(d); 16A 9.1(e); 116A9.2; 16A9.2(a)(ii) &(iii); 16A9.1(f). Treasury Regulation 17.1.1 Treasury Regulation 18.2 Treasury Regulation 19.8.4
Division of Revenue Act No. 5 of 2022	DoRA 11(6)(a) DoRA 12(5) DoRA 16(1) DoRA 16(3) DoRA 16(3)(a)(i) DoRA 16(3)(a)(ii)(bb)
Public service regulation	Public service regulation 13(c);18; 18 (1) and (2); 25(1)(e)(i); 25(1)(e)(iii)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 29 Section 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
Construction Industry Development Board Regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2

Legislation	Sections or regulations
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
SITA ACT	Section 7(3) Section 7(6)(b) Section 20(1)(a)(i)
SITA regulations	Regulation 8.1.1 (b); 8.1.4; 8.1.7 Regulation 9.6; 9.4 Regulation 12.3 Regulation 13.1 (a) Regulation 14.1; 14.2
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c) ; 3.3 (e) ; 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a);4.4 (c) -(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2 and 4.3.3
Competition Act	Section 4(1)(b)(ii)
NT instruction note 4 of 2015/16	Paragraph 3.4
NT instruction 3 of 2019/20 - Annexure A	Section 5.5.1 (iv) and (x)
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 3.1 Paragraph 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 4.1
Public Service Act	Section 30 (1)
Employment of Educators Act	Section 33 (1)



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 ANNUAL FINANCIAL STATEMENT

for the year ended 31 March 2023

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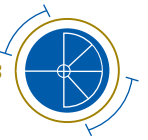
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GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 APPROPRIATION STATEMENT

for the year ended 31 March 2023

Appropriation per programme										
Programme	2022/23						2021/22			
	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	R'000
1. Administration	417 907	-	61 331	479 238	448 389	30 849	93.6%	430 659	403 641	
2. Public Works Infrastructure	2 774 708	-	(48 331)	2 726 377	2 670 562	55 815	98.0%	2 651 586	2 629 775	
3. Expanded Public Works Programme	162 620	-	(13 000)	149 620	123 530	26 090	82.6%	166 775	142 993	
Total	3 355 235	-	-	3 355 235	3 242 482	112 753	96.6%	3 249 020	3 176 409	

TOTAL (brought forward)			
Reconciliation with statement of financial performance			
	2022/23	2021/22	
	Final Budget	Actual Expenditure	Final Budget
	R'000	R'000	R'000
ADD			
Departmental receipts	35 720		16 893
NRF Receipts			
Aid assistance			
Actual amounts per statement of financial performance (total revenue)	3 390 955		3 265 913
ADD			
Aid assistance			
Prior year unauthorised expenditure approved without funding			
Actual amounts per statement of financial performance (total expenditure)	3 242 482		3 176 409



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 APPROPRIATION STATEMENT

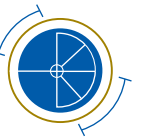
for the year ended 31 March 2023

Appropriation per economic classification	2022/23						2021/22		
	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	2 145 144	78 910	42 683	2 246 737	2 162 227	84 510	96.2%	2 137 363	2 104 823
Compensation of employees	1 179 186			1 179 186	1 151 970	27 216	97.7%	1 173 087	1 151 014
Goods and services	945 778	78 994	40 119	1 064 891	1 007 597	57 294	94.6%	942 776	932 309
Interest and rent on land	180	(84)	2 564	2 660	2 660	-	100.0%	21 500	21 500
Transfers and subsidies	1 181 322	(67 857)	(64 237)	1 049 228	1 039 759	9 469	99.0%	1 031 252	1 031 251
Provinces and municipalities	1 176 868	(69 404)	(64 643)	1 042 821	1 033 435	9 386	87.8%	1 025 348	1 025 348
Departmental agencies and accounts									
Households	4 454	1 547	406	6 407	6 324	83	98.7%	5 904	5 903
Payments for capital assets	48 377	(11 053)	19 872	57 196	38 477	18 719	67.3%	79 637	39 567
Buildings and other fixed structures	26 130	(11 870)		14 260	13 887	373	97.4%	50 415	10 143
Machinery and equipment	22 247	817	19 872	42 936	24 590	18 346	57.3%	28 409	28 611
Intangible assets								813	813
Payments for financial assets	392		1 682	2 074	2 019	55	97.3%	768	768
Total	3 355 235	-	-	3 355 235	3 242 482	112 753	96.6%	3 249 020	3 176 409

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 APPROPRIATION STATEMENT

for the year ended 31 March 2023

Programme 1: ADMINISTRATION	2022/23						2021/22		
	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	11 775	-	1 464	13 239	11 864	1 375	89.6%	12 862	12 747
2. Corporate support	387 988	-	66 951	454 939	426 762	28 177	93.8%	400 964	377 430
3. Management of the Department	18 144	-	(7 084)	11 060	9 763	1 297	88.3%	16 833	13 464
Total for sub programmes	417 907	-	61 331	479 238	448 389	30 849	93.6%	430 659	403 641
Economic classification									
Current payments									
Compensation of employees	394 329	-	39 371	433 700	421 269	12 431	97.1%	401 722	374 650
Goods and services	255 245	-	(16 252)	238 993	237 188	1 805	99.2%	255 074	217 613
Interest and rent on land	138 988	-	53 059	192 047	181 421	10 626	94.5%	146 648	157 037
	96	-	2 564	2 660	2 660	-	100%	-	-
Transfers and subsidies									
Non-profit institutions	939	-	406	1 345	1 328	17	98.7%	1 433	1 433
Households	939	-	406	1 345	1 328	17	98.7%	1 433	1 433
Payments for capital assets									
Buildings and other fixed structures	22 247	-	19 872	42 119	23 773	18 346	56.4%	26 736	26 790
Machinery and equipment	22 247	-	19 872	42 119	23 773	18 346	56.4%	25 923	25 977
Intangible assets								813	813
Payments for financial assets									
	392	-	1 682	2 074	2 019	55	97.3%	768	768
Total	417 907	-	61 331	479 238	448 389	30 849	93.6%	430 659	403 641



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 APPROPRIATION STATEMENT

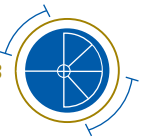
for the year ended 31 March 2023

Programme 2: PUBLIC WORKS INFRASTRUCTURE	2022/23						2021/22		
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual expenditure R'000
Sub programme									
1. Construction	193 912	17 801	16 252	227 965	227 576	389	99.8%	225 347	196 170
2. Maintenance	670 452	29 524	60	700 036	692 190	7 846	98.9%	666 095	673 474
3. Immovable Asset Management	1 910 344	(47 325)	(64 643)	1 798 376	1 750 796	47 580	97.4%	1 760 144	1 760 131
Total for sub programmes	2 774 708	-	(48 331)	2 726 377	2 670 562	55 815	98.0%	2 651 586	2 629 775
Economic classification									
Current payments	1 568 416	78 763	16 312	1 663 491	1 617 435	46 056	97.2%	1 568 874	1 587 184
Compensation of employees	808 881	-	16 252	825 133	824 872	261	100.0%	801 305	817 740
Goods and services	759 451	78 847	60	838 358	792 563	45 795	94.5%	746 069	747 944
Interest and rent on land	84	(84)	-	-	-	-	-	21 500	21 500
Transfers and subsidies	1 180 162	(67 710)	(64 643)	1 047 809	1 038 423	9 386	99.1%	1 029 811	1 029 815
Provinces and municipalities	1 176 868	(69 404)	(64 643)	1 042 821	1 033 435	9 386	99.1%	1 025 348	1 025 348
Non-profit institutions									
Households	3 294	1 694	-	4 988	4 988	-	100.0%	4 463	4 467
Payments for capital assets	26 130	(11 053)	-	15 077	14 704	373	97.5%	52 901	12 777
Buildings and other fixed structures	26 130	(11 870)	-	14 260	13 887	373	97.4%	50 415	10 143
Machinery and equipment	-	817	-	817	817	-	100.0%	2 486	2 634
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 774 708	-	(48 331)	2 726 377	2 670 562	55 815	98.0%	2 651 586	2 629 775

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 APPROPRIATION STATEMENT

for the year ended 31 March 2023

Programme 3: EXPNDED PUBLIC WORKS PROGRAMME									
	2022/23					2021/22			
	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 CBP	28 573	872	-	29 445	29 103	342	98.8%	25 828	20 276
2. Community Development	134 047	(872)	(13 000)	120 175	94 427	25 748	78.6%	140 947	122 717
Total for sub programmes	162 620	-	(13 000)	149 620	123 530	26 090	82.6%	166 775	142 993
Economic classification									
Current payments	162 399	147	(13 000)	149 546	123 522	26 024	82.6%	166 767	142 990
Compensation of employees	115 060	-	-	115 060	89 910	25 150	78.1%	116 708	115 661
Goods and services	47 339	147	(13 000)	34 486	33 612	874	97.5%	50 059	27 329
Transfers and subsidies	221	(147)	-	74	8	66	10.8%	8	3
Households	221	(147)	-	74	8	66	10.8%	8	3
Total	162 620	-	(13 000)	149 620	123 530	26 090	82.6%	166 775	142 993



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2023

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Administration	479 238	448 389	30 849	6
Public Works Infrastructure	2 726 377	2 670 562	55 815	2
Expanded Public Works Programme	149 620	123 530	26 090	17
Total	3 355 235	3 242 482	112 753	3

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2023

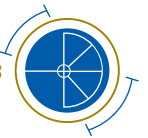
4.2 Per economic classification

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current payments	2 246 737	2 162 227	84 510	4
Compensation of employees	1 179 186	1 151 970	27 216	2
Goods and services	1 064 891	1 007 597	57 294	5
Interest and rent on land	2 660	2 660	-	-
Transfers and subsidies	1 049 228	1 039 759	9 469	1
Provinces and municipalities	1 042 821	1 033 435	9 386	1
Households	6 407	6 324	83	1
Payments for capital assets	59 270	40 496	18 774	32
Buildings and other fixed structures	14 260	13 887	373	3
Machinery and equipment	42 936	24 590	18 346	43
Payments for financial assets	2 074	2 019	55	3
Total	3 355 235	3 242 482	112 753	3

The Department was allocated a budget of R3,3 billion in the year 2022/23, to date R3,2 billion of the allocated budget was spent. Despite 97% of the allocated budget been spend, the Department underspend by R112 million compared to R72 millions of previous financial year. Out of the R112 million underspent, R27 million related to compensation of employees, R57 million related to goods and services, R18 million to machinery and equipment and R9 million related rates and taxes.

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 grant	6 768	6 768	-	-



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 STATEMENT OF FINANCIAL PERFORMANCE

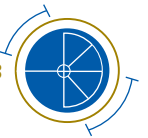
for the year ended 31 March 2023

		2022/23	2021/22
	Note	R'000	R'000
REVENUE			
Annual appropriation	1	3 355 235	3 249 020
Departmental revenue	2	35 720	16 893
TOTAL REVENUE		3 390 955	3 265 913
EXPENDITURE			
Current expenditure			
Compensation of employees	3	1 151 970	1 151 014
Goods and services	4	1 007 597	932 309
Interest and rent on land	5	2 660	21 500
Transfers and subsidies			
Transfers and subsidies	7	1 039 759	1 031 251
Expenditure for capital assets			
Tangible assets	8	38 477	38 754
Intangible assets	8	-	813
Payments for financial assets			
	6	2 019	768
TOTAL EXPENDITURE		3 242 482	3 176 409
SURPLUS/(DEFICIT) FOR THE YEAR		148 473	89 504
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		112 753	72 611
Annual appropriation		112 753	72 611
Departmental revenue and NRF receipts	13	35 720	16 893
SURPLUS/(DEFICIT) FOR THE YEAR		148 473	89 504

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2023

		2022/23	2021/22
	Note	R'000	R'000
ASSETS			
Current assets		163 355	99 261
Cash and cash equivalents	9	145 051	62 113
Prepayments and advances	10	82	
Receivables	11	18 222	37 148
TOTAL ASSETS		163 355	99 261
LIABILITIES			
Current liabilities		163 222	99 144
Voted funds to be surrendered to the Revenue Fund	12	112 748	72 606
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	21 851	18 116
Payables	14	28 623	8 422
TOTAL LIABILITIES		163 222	99 144
NET ASSETS		133	117
Represented by:			
Recoverable revenue		133	117
TOTAL		133	117



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 STATEMENT OF CHANGES IN NET ASSETS

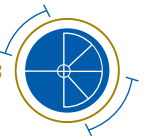
for the year ended 31 March 2023

		2022/23	2021/22
	Note	R'000	R'000
Recoverable revenue			
Opening balance		117	177
Transfers:		16	(60)
Irrecoverable amounts written off			
Debts revised			
Debts recovered (included in departmental revenue)		(30)	(155)
Debts raised		46	95
Closing balance		133	117
TOTAL		133	117

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 CASH FLOW STATEMENT

for the year ended 31 March 2023

		2022/23	2021/22
	Note	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		3 379 577	3 265 913
Annual appropriation funds received	1.1	3 355 235	3 249 020
Departmental revenue received	2	24 071	16 858
Interest received	2.2	271	35
Net (increase)/decrease in net working capital		39 045	(57 725)
Surrendered to Revenue Fund		(104 596)	(187 024)
Current payments		(2 159 567)	(2 083 323)
Interest paid	5	(2 660)	(21 500)
Payments for financial assets		(2 019)	(768)
Transfers and subsidies paid		(1 039 759)	(1 031 251)
Net cash flow available from operating activities	15	110 021	(115 678)
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received			
Payments for capital assets	8	(38 477)	(39 567)
Proceeds from sale of capital assets	2.4	11 378	-
Net cash flow available from investing activities		(27 099)	(39 567)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		16	(60)
Net cash flows from financing activities		16	(60)
Net increase/(decrease) in cash and cash equivalents		82 938	(155 305)
Cash and cash equivalents at beginning of period		62 113	217 418
Cash and cash equivalents at end of period	9	145 051	62 113



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

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 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.



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

7. Revenue

7.1 Appropriated funds

Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

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

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

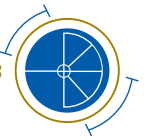
Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- 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.



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

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.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

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.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

9.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

10. Cash and cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

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.

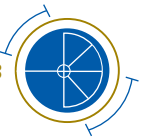
Prepayments and advances are initially and subsequently measured at cost. The Department recognises a prepayment or an advance in the statement of financial performance in accordance with chapter 8 on expenditure if the payment or the advance is material and was budgeted for as an expense in the year in which the actual prepayment or advance was made

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.



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

14. Financial assets

14.1 Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

14.2 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

15. Payables

Payables recognised in the statement of financial position are recognised at cost.

16. Capital assets

16.1 Immovable capital assets

Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

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

Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

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.

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

16.3 Intangible capital assets

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

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

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

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

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

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

16.4 Project costs: Work-in-progress

Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

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

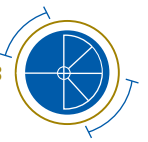
17. Provisions and contingents

17.1 Provisions

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



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

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 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.



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

21. Changes in accounting estimates and errors

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. Departures from the MCS requirements

Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard regulated within modified cash basis of accounting principles

24. 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 Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

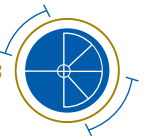
25. Recoverable revenue

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 Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

26. Related party transactions

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

The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

27. 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.

28 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.

29. 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.

30 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.

31. 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.

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

1. Annual Appropriation

1.1. Annual Appropriation

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

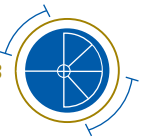
	2022/23			2021/22		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropriation Received	Funds not requested / not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
Administration	417 907	417 907	-	430 659	430 659	-
Public Works	2 774 708	2 774 708	-	2 651 586	2 651 586	-
EPWP	162 620	162 620	-	166 775	166 775	-
Total	3 355 235	3 355 235	-	3 249 020	3 249 020	-

The Department was allocated a budget of R3,3 billion for the year under review and all funds requested were received in full during the year

1.2. Conditional grants

		2022/23	2021/22
	Note	R'000	R'000
Total grants received	31	6 768	18 988

Conditional grants are incentive grants given to EPWP beneficiaries. Conditional grants are allocated based on the duration of the projects implemented and the Full Time Equivalents (FTE- 230 days of work) over the previous period. Despite the attainment of the FTE targets met, the pool of National Treasury allocations has not increased, therefore more participating and qualifying public bodies needed to be accommodated within the pool of funding allocated to each province and this result in a decrease of the allocation from R18 million to R7 million in the year 2022/23.



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

2. Departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Tax revenue			
Sales of goods and services other than capital assets	2.1	16 537	15 953
Interest, dividends and rent on land	2.2	271	35
Sales of capital assets	2.3	11 378	-
Transactions in financial assets and liabilities	2.4	7 534	905
Total revenue collected		35 720	16 893
Less: Own revenue included in appropriation	1	-	-
Total		35 720	16 893

Revenue from sale of goods and services consist of rental from dwellings, non-res building and parking collection. Over collection of revenue is due to 14 properties that were sold through public auction and received R11,3 million. Transaction in financial assets and liabilities related recovery to prior year expenditure incurred on behalf of Department of Community Safety amounting to R7,5 million.

2.1 Sales of goods and services other than capital assets

	Note	2022/23 R'000	2021/22 R'000
Sales of goods and services produced by the department		16 537	13 936
Sales by market establishment		15 735	13 146
Other sales		802	790
Sales of scrap, waste and other used current goods		-	2 017
Total	2	16 537	15 953

During the year the Department issued letters of demand to defaulting tenants and this has resulted in increase in revenue collected in the year 2022/23 compared to 2021/22. Commercial properties managed to collect 61% of their targeted revenue compared to 11% that was collected from residential properties. Other revenue consists of revenue from staff boarding and commission received from Garnishee orders

2.2 Interest, dividends and rent on land

	Note	2021/23 R'000	2021/22 R'000
Interest		271	35
Total	2	271	35

Increase in Interest and rent on land in the year 2022/23 compared to 2021/22 related to interest earned on rental for servitude lines

2.3 Sales of capital assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets		11 378	-
Buildings and other fixed structures		11 378	-
Total	2	11 378	-

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

2.4 Transactions in financial assets and liabilities

		2022/23	2021/22
	Note	R'000	R'000
Receivables		7 534	905
Total	2	7 534	905

3. Compensation of employees

3.1 Analysis of balance

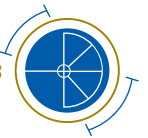
		2022/23	2021/22
	Note	R'000	R'000
Basic salary		694 288	676 041
Performance award		970	6 100
Service based		1 195	1 217
Compensative/circumstantial		121 383	124 889
Periodic payments		3 704	3 861
Other non-pensionable allowances		179 509	196 928
Total		1 001 049	1 009 036

During the year 2022/23 the Department identified 200 priority posts to be filled, 196 posts were filled, and this resulted in an increase in basic salary. Salary adjustment increase. DPSA issued a prescript to the Departments to stop paying performance bonus, R970 thousand paid in the current year related to prior year accruals.

3.2 Social contributions

		2022/23	2021/22
	Note	R'000	R'000
Employer contributions			
Pension		89 113	85 482
Medical		61 491	56 185
Bargaining council		283	274
Insurance		34	37
Total		150 921	141 978
Total compensation of employees		1 151 970	1 151 014
Average number of employees		2 463	2 487

Average number of employees decreased from 2 487 to 2 463 as a result of natural attrition (resignation, early retirement, death, transfer and dismissal)



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

4. Goods and services

		2022/23	2021/22
	Note	R'000	R'000
Administrative fees		13	67
Advertising		3 356	4 439
Minor assets	4.1	434	428
Bursaries (employees)		103	89
Catering		603	606
Communication		1 088	1 507
Computer services	4.2	28 537	22 334
Consultants: Business and advisory services		6 794	17 405
Legal services		62 038	46 887
Contractors		2 432	2 679
Agency and support / outsourced services		41 992	28 317
Audit cost - external	4.3	38 056	22 930
Fleet services		43 882	39 811
Inventories	4.4	3 325	3 832
Consumables	4.5	7 790	7 800
Operating leases		470 541	494 231
Property payments	4.6	263 011	205 729
Transport provided as part of the departmental activities		-	37
Travel and subsistence	4.7	20 231	15 807
Venues and facilities		1 916	2 579
Training and development		11 455	13 629
Other operating expenditure	4.8	-	1 166
Total		1 007 597	932 309

Goods and services reflect an increase in expenditure due to the payment of accruals carried through from the previous financial year

- The decrease in advertising was because Departments were advised to stop advertising tenders pending the outcome of court judgement on PPR 2017. Included in the advertising is recruitment advert and interviews that were conducted with media companies regarding the mandate and the budget speech of the Department.
- Increase in computer services related to procurement of software used by the engineers and architects for designing and planning.
- Included in the Consultants is probity audit cost, competence assessment and qualification verification for new employees. Decrease in the cost for probity audit is due to less tenders that were advertised due to pending court judgement on PPR 2017
- Increase in Legal fees is due to court order payment amounting to R47 million because of breach of contract on supplier of gas to institution of Department of Health.
- An increase in agency and support is because of the training and skills development that was offered to the EPWP beneficiaries
- The Increase in the audit Costs is due to the review that was conducted on OHS Department of Health projects by an audit firm. The Audit cost comprises of Audit fees amounting to R10million and R27million for investigation.
- Increase in fleet service is in line with inflationary adjustment for the year.
- Less uniform and protective clothing were procured this year compared to last year since officials are required to use them for a period of two years from the date they were bought. This resulted in decrease inventory bought during the year.
- Included in consumables is print cartridge, stationery, cleaning material and building materials. Increase is as a result of more stationery and cartridge bought during the year.
- In the previous financial year the Department settled most of the lease invoices that were in arrears in 2020/21 with the budget of 2021/22 while no accruals were paid in the current year.
- Increase in travel and subsistence in due to the Department participated at the Green Building Convention in 2022, held in another Province
- Less venues were hired due the Department implementing cost containment.
- Less training was conducted due to less request from branches regarding their job spec training

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

4.1 Minor assets

		2022/23	2021/22
	Note	R'000	R'000
Tangible capital assets			
Machinery and equipment		434	428
Total	4	434	428

4.2 Computer services

		2022/23	2021/22
	Note	R'000	R'000
External computer service providers		28 537	22 334
Total	4	28 537	22 334

Increase in computer services related to procurement of software used by the engineers and architects for designing and planning. The Department continue to make payment for Microsoft licence and SITA for back up, disaster recovery and hosting Departmental servers.

4.3 Audit cost - external

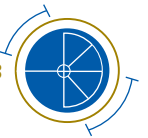
		2022/23	2021/22
	Note	R'000	R'000
Regularity audits		10 554	8 425
Investigations		27 502	14 505
Total	4	38 056	22 930

Due to investigation backlog in prior year on irregular expenditure and projects, the Department appointed service providers to fast-track the investigation of projects and historical irregular expenditure.

4.4 Inventories

		2022/23	2021/22
	Note	R'000	R'000
Clothing material and accessories		3 280	3 826
Materials and supplies		45	6
Total	4	3 325	3 832

Reduction in the protective clothing procured is due to less site inspection conducted by construction branch.



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

4.5 Consumables

		2022/23	2021/22
	Note	R'000	R'000
Consumable supplies		3 564	3 440
Uniform and clothing		1 277	1 505
Household supplies		810	904
Building material and supplies		122	383
IT consumables		950	203
Other consumables		405	445
Stationery, printing and office supplies		4 226	4 360
Total	4	7 790	7 800

- Included in consumables is print cartridge, stationery, cleaning material and building materials. Increase is because more stationery and cartridge bought during the year.
- Other consumable related to gifts and awards

4.6 Property payments

		2022/23	2021/22
	Note	R'000	R'000
Municipal services		36 606	26 863
Property maintenance and repairs		81 782	56 452
Other		144 623	122 414
Total	4	263 011	205 729

More officials started to physically reporting for duty in the office after Covid-19 and this result increase in expenditure for water and lights under municipal services.

Increase in property maintenance and repairs is due to payment of prior year accruals with current year budget. Amongst other, increase in expenditure at 75 fox is due to the pipe burst in the building that resulted in flooding and need to be replaced immediately.

An increase in other is due to payment of prior year accruals with current year's budget for security, cleaning and fumigation services.

4.7 Travel and subsistence

		2022/23	2021/22
	Note	R'000	R'000
Local		20 221	15 807
Foreign		10	-
Total	4	20 231	15 807

Increase in travel and subsistence in due to the Department participated at the Green Building Convention in 2022, held in another Province. The convention was hosted by the Green Building Council South Africa (GBCSA), which promotes green building and sustainability in the property and construction sectors. DID is currently a member of GBCSA and employees who attend the conversion earn CPD (Continual Professional Development) points.

Increase in travel and subsistence for foreign is as a result of the Department attending construction indaba abroad. DID participated at the Big 5 International Building and construction show from 5 to 8 December 2022

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

4.8 Other operating expenditure

	Note	2022/23 R'000	2021/22 R'000
Professional bodies, membership and subscription fees		-	32
Resettlement costs		-	15
Other		-	1 119
Total	4	-	1 166

Other operating expenditure for prior related to courier and delivery services, professional bodies fees, resettlements cost and storage service costs.

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

	Note	2022/23 R'000	2021/22 R'000
Name of Commission / Committee of Inquiry	4		
	No. of members		
Cluster 4 Audit Committee	3	-	33
Risk management committee	1	58	11
Total		58	44

The new chairperson of Risk management committee was appointed in the current year and therefore less meetings were scheduled and attended in the prior year.

5. Interest and rent on land

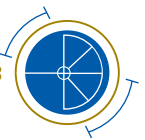
	Note	2022/23 R'000	2021/22 R'000
Interest paid		2 660	21 500
Total		2 660	21 500

Interest paid related to court order settlement that the Department paid due to breach of contract for supplier of Gas to Department of Health institution

6. Payments for financial assets

	Note	2022/23 R'000	2021/22 R'000
Debts written off	6.1	2 019	768
Total		2 019	768

Payment for financial assets shows an increase because of more debt related to ex-employees and Department of roads and transport being written off as tracing of debt has not yielded a positive result since the debts is prescribed.



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

6.1 Debts written off

	Note	2022/23 R'000	2021/22 R'000
Nature of debts written off			
Bad debts write-off (Prescribed debt)		137	525
Bad debts write-off (deceased)		165	243
Capital Paid, interest outstanding		3	-
Bad debts write off		1 714	-
Total		2 019	768
Total debt written off	6	2 019	768

Payment for financial assets shows an increase because of more debt related to ex-employees and Department of roads and transport being written off as tracing of debt has not yielded a positive result since the debts is prescribed.

7. Transfers and subsidies

	Note	2022/23 R'000	2021/22 R'000
Provinces and municipalities	32	1 033 435	1 025 348
Households	Annex 1G	6 324	5 903
Total		1 039 759	1 031 251

Province and municipalities related to payment of rates and taxes by the Department to municipality

8. Expenditure for capital assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets			
Buildings and other fixed structures	29	13 887	10 143
Machinery and equipment	27	24 590	28 611
Intangible capital assets			
Software	28	-	813
Total		38 477	39 567

Included in the R14 million is on-going projects in relation to improvement and rehabilitation for Precinct buildings (GIAMA Condition Assessment, Corner House, Thusanong and 75 Fox)

Machinery and equipment consist of R12 million for payment of cell phone contract and R8 million for 405 laptops and desktop that were bought during the year.

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

8.1 Analysis of funds utilised to acquire capital assets - Current year

	2022/23		
	Voted funds	Aid assistance	Total
Name of entity	R'000	R'000	R'000
Tangible capital assets	38 477	-	38 477
Buildings and other fixed structures	13 887	-	13 887
Machinery and equipment	24 590	-	24 590
Intangible capital assets			
Software	-	-	-
Total	38 477	-	38 477

8.2 Analysis of funds utilised to acquire capital assets - Prior year

	2021/22		
	Voted funds	Aid assistance	Total
Name of entity	R'000	R'000	R'000
Tangible capital assets	38 754	-	38 754
Buildings and other fixed structures	10 143	-	10 143
Machinery and equipment	28 611	-	28 611
Intangible capital assets	813	-	813
Software	813	-	813
Total	39 567	-	39 567

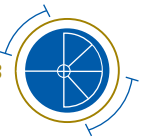
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Machinery and equipment consist of R12 million for payment of cell phone contract and R8 million for 405 laptops and desktop that were bought during the year.

8.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2022/23	2021/22
		R'000	R'000
Tangible capital assets			
Machinery and equipment		12 580	13 867
Total		12 580	13 867

In 2021/22 the Department moved their contract from Vodacom to MTN since they were offering better rates. The Department reduced their data line from 1 500 to 600 with MTN due to the amount of data included in the MTN package. Based on the above the amount paid for cell phone contract reduced by a R1 million.



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

9. Cash and cash equivalents

	Note	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General Account		145 029	62 086
Cash on hand		22	27
Total		145 051	62 113

Included in the Department PMG account is R113 million relating to surrenders, R25 million relating to unpaid invoices on behalf of the client Departments, R4 million revenue collected in March, but payable in April 2023 and R3 million in relation to payment processed but not yet disbursed in the bank account.

10. Prepayments and advances

	Note	2022/23 R'000	2021/22 R'000
Staff advances			
Travel and subsistence		82	-
Total		82	-
Analysis of Total Prepayments and advances			
Current Prepayments and advances		82	-
Total		82	-

Balance on Prepayments and advances is for Departmental officials who undertook an official trip overseas and their Travel and Subsistence claims will be finalised in the next financial year.

11. Receivables

	Note	2022/23			2021/22		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	11.1	13 652	-	13 652	35 669	-	35 669
Recoverable expenditure	11.3	1 306	-	1 306	250	-	250
Staff debt	11.4	730	-	730	881	-	881
Other receivables	11.5	2 534	-	2 534	348	-	348
Total		18 222	-	18 222	37 148	-	37 148

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

11.1 Claims recoverable

	Note	2022/23 R'000	2021/22 R'000
National departments			
Provincial departments		11 808	34 490
Public entities		1 844	1 179
Total	11	13 652	35 669

Included in the R13 million is an amount of R1,6 million relating to Gauteng Community Safety, R3,0 million relating to Gauteng Department of Health, R6,2 million relating to Gauteng Department of Sports and R2,8 million in relation to the entities.

11.2 Recoverable expenditure

	Note	2022/23 R'000	2021/22 R'000
Sal: Reversal control		1 283	204
Sal: Deduction disallow		1	5
Sal recoverable		-	26
Sal: Tax Dept CA		1	3
Sal Pension Fund		17	12
Telephone exception acc		4	-
Total	11	1 306	250

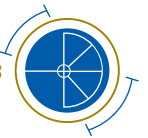
11.3 Staff debt

	Note	2022/23 R'000	2021/22 R'000
Group major categories, but list material items			
Employees		44	49
Ex-employees		686	832
Total	11	730	881

The Department has implemented processes that are assisting in ensuring recovery of the debts that related to Ex-employees.

11.4 Other receivables

	Note	2022/23 R'000	2021/22 R'000
Claims against various suppliers		2 534	348
Total	11	2 534	348



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

11.5 Impairment of receivables

	Note	2022/23 R'000	2021/22 R'000
Estimate of impairment of receivables		707	431
Total		707	431

Accrued Departmental revenue increased from R90 million to R106 million, and this directly impacted recoverability of debts which also increased the impairment of receivables.

12. Voted funds to be surrendered to the Revenue Fund

	Note	2022/23 R'000	2021/22 R'000
Opening balance		72 606	169 434
Prior period error			
As restated		72 606	169 434
Transferred from statement of financial performance (as restated)		112 753	72 611
Paid during the year		(72 611)	(169 439)
Closing balance		112 748	72 606

The Department has an overall underspending of R113 million which will be surrendered in the year 2023/24. Underspending also relate to compensation of employees and Rates and taxes.

12.1 Reconciliation on unspent conditional grants

	Note	2022/23 R'000	2021/22 R'000
Total conditional grants received	1.2	6 768	18 988
Total conditional grants spent		(6 768)	(18 988)
Due by the Provincial Revenue Fund		-	-

Incentive grant is meant to pay NYS stipends, National Public Works transferred fully the grant to the Department.

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

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

		2022/23	2021/22
	Note	R'000	R'000
Opening balance		18 116	18 808
Prior period error		-	-
As restated		18 116	18 808
Transferred from statement of financial performance (as restated)		35 720	16 893
Paid during the year		(31 985)	(17 585)
Closing balance		21 851	18 116

Revenue paid over to Provincial Treasury amount to R32 million in the year 2022/23. The revenue collected in the last month of the financial year will be paid over in first quarter of the 2023/24 financial year to Provincial Treasury.

14. Payables - current

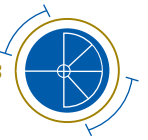
		2022/23	2021/22
	Note	R'000	R'000
Amounts owing to other entities			
Other payables	14.1	28 623	8 422
Total		28 623	8 422

Include in the R28 million is an amount of R21 million for Gauteng Department of Education, R2,7 million for Gauteng Department of Health, R882 thousand for Gauteng Department of Roads and Transport and R417 thousand for Gauteng Department of Social Development that the client Department transferred to the Department, however service providers could not be paid since the transfer to the Department was done on the date of the cut off. The difference of R3,3 million related to unpaid funds because of rejected electronic salary or supplementary or supplier payment due to a closed or invalid account.

14.1 Other payables

		2022/23	2021/22
	Note	R'000	R'000
Description			
<i>Identify major categories, but list material items</i>			
Outstanding payments		479	1 793
Amounts owed to other entities		25 313	1 492
Sal: ACB Recalls		106	3 721
Sal: Income Tax		733	376
Sal: Insurance deductions		-	280
Bank Adjustment		992	436
Adv: Dom/Dept: Gp Adv Acc: CA		-	62
Sal: Persal EBT		834	-
Other Payables		166	262
Total	14	28 623	8 422

An increase in other payables is mainly due to amounts owing to Gauteng Provincial departments namely Education, R21 million, Health R2,7 million and the others with an amount of around R1,6 million.



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

15. Net cash flow available from operating activities

	Note	2022/23 R'000	2021/22 R'000
Net surplus/(deficit) as per Statement of Financial Performance		148 473	89 504
Add back non-cash/cash movements not deemed operating activities		(38 452)	(205 182)
(Increase)/decrease in receivables		18 926	(15 427)
(Increase)/decrease in prepayments and advances		(82)	-
Increase/(decrease) in payables - current		20 201	(42 298)
Proceeds from sale of capital assets		(11 378)	-
Expenditure on capital assets		38 477	39 567
Surrenders to revenue fund		(104 596)	(187 024)
Net cash flow generating		(110 021)	(115 678)

The increase and decrease in the working capital speak to cash inflow and cash outflow. The cash inflow on receivables is due to funds received in relation to staff debts and client Department. Cash inflow in payables relate to late transfer of funds by the client Departments to the Department. Proceeds from sale of capital assets related to 14 properties that were sold through public auction and received R11,3 million..

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

	Note	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General account		145 029	62 086
Cash on hand		22	27
Total		145 051	62 113

Included in the Department PMG account is R113 million relating to surrenders, R25 million relating to unpaid invoices on behalf of the client Departments, R4 million revenue collected in March, but payable in April 2023 and R3 million in relation to payment processed but not yet disbursed in the bank account.

17. Contingent liabilities and contingent assets

17.1 Contingent liabilities

Liable to	Nature	Note	2022/23 R'000	2021/22 R'000
Claims against the department		Annex 3B	315 641	343 414
Intergovernmental payables (unconfirmed balances)		Annex 5	1 938	-
Total			317 579	343 414

Increase in the balance for contingent liabilities is due to claims made against the state for breach of contract that related to projects, in the year 2022/23 the Department managed to settle some of the claims.

Two matters to the value of R 91,422,240.10 were settled after year end.

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

17.2 Contingent assets

		2022/23	2021/22
	Note	R'000	R'000
Nature of contingent asset			
Litigations (TTR Building Construction)		1 617	1 617
Litigations (DID vs Chuene Matlala Construction)		13 809	13 809
DID/Superior quality trading 524 cc & Nedbank		2 231	-
Total		17 657	15 426

The Department instituted litigation against a contractor for payment of rectification of defects

8. Capital commitments

		2022/23	2021/22
	Note	R'000	R'000
Buildings and other fixed structures		148 074	140 713
Machinery and equipment		30	33
Intangible assets		-	-
Total		148 104	140 746

The capital commitment represents the tender awards in the prior and current year for which work has not been performed. The increase is mainly due to Bloed Wellness centre and refurbishment at 30 Simmonds.

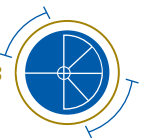
19. Accruals and payables not recognised

19.1 Accruals

		2022/23			2021/22
		30 Days	30+ Days	Total	Total
Listed by economic classification	Note	R'000	R'000	R'000	R'000
Goods and services		5 956	3 196	9 152	16 438
Total		5 956	3 196	9 152	16 438

Listed by programme level

Administration		4 401	5 850
Public Works		4 751	10 588
Total		9 152	16 438



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

19.2 Payables not recognised

Listed by economic classification	Note	2022/23			2021/22
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Goods and services		16 752	28	16 780	49 823
Transfers and subsidies		2 267	-	2 267	307 409
Capital assets		5 557	-	5 557	190
Total		24 576	28	24 604	357 422

Listed by programme level

Administration	9 514	15 505
Public works	13 262	340 868
EPWP	1 828	1 049
Total	24 604	357 422

19.2 Payables not recognised (continued)

	Note	2022/23	2021/22
		R'000	R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 5	138	6 528
Confirmed balances with other government entities	Annex 5	-	985
Total		138	7 513

The decrease in accruals and payable recognised related to most of rates and taxes invoices that were settled in the current year. There is an improvement in a turnaround time of payment for service providers within 30 days hence the Department is reporting a reduced balance on accruals and payables.

20. Employee benefits

	Note	2022/23	2021/22
		R'000	R'000
Leave entitlement		57 799	59 623
Service bonus		28 019	27 219
Capped leave		12 364	13 718
Other		1 602	1 739
Total		99 784	102 299

Negative leave balances are as follows:

Current cycle: R 638,720

Capped leave: NIL

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

21. Lease commitments

21.1 Operating leases

	2022/23				
	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	-	-	340 720	11 574	352 294
Later than 1 year and not later than 5 years	-	-	700 306	129 310	829 616
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	1 041 026	140 884	1 181 910

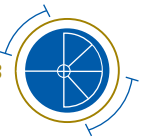
	2021/22				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	236 712	3 854	240 566
Later than 1 year and not later than 5 years	-	-	724 508	1 625	726 133
Later than 5 years	-	-	27 798	-	27 798
Total lease commitments	-	-	989 018	5 479	994 497

The Department is mandated to make provision for office accommodation and parking to all GPG Departments. Increase in machinery and equipment related to new 45 vehicles that were leased with g-Fleet.

21.2 Finance leases **

	2022/23 TO: GAUTENG TREASURY 31 MAY 2023				
	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	-	-	-	13 352	13 352
Later than 1 year and not later than 5 years	-	-	-	3 104	3 104
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	16 456	16 456

Finance lease comprises cell phone contracts with a balance of R7 million and Government fleet services contract with a balance of R9,3 million.



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	2021/22				
	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	-	-	-	13 742	13 742
Later than 1 year and not later than 5 years	-	-	-	12 612	12 612
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	26 354	26 354

Most of the Government cars that were previously classified as finance lease, their contracts expired. Included in the finance lease commitment is cell-phone contract with MTN.

21.3 Operating lease future revenue

	2022/23				
	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	-	-	2 158	-	2 158
later than 1 year and not later than 5 years	-	-	5 615	-	5 615
Later than 5 years	-	-	14 019	-	14 019
Total operating lease revenue receivable	-	-	21 792	-	21 792

	2021/22				
	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	-	-	2 351	-	2 351
Later than 1 year and not later than 5 years	-	-	7 111	-	7 111
Later than 5 years	-	-	14 668	-	14 668
Total operating lease revenue receivable	-	-	24 130	-	24 130

The Department has lease agreement with various tenants for both commercial and residential state-owned properties. Reduction in the operating lease is due to expired lease term contract in the current year

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

22. Accrued departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Tax revenue			
Sales of goods and services other than capital assets		101 023	94 088
Sales of capital assets		-	-
Total		101 023	94 088

Accrued Departmental revenue indicate that property debtors are not up to date with their payments and were impaired in line with Departmental policy.

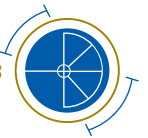
22.1 Analysis of accrued departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Opening balance		94 088	75 819
Less: amounts received		(10 239)	(9 954)
Less: Amounts written off		7 071	-
Add: amounts recorded		26 609	25 859
Sales of capital assets		(2 364)	2 364
Closing balance		101 023	94 088

22.2 Impairment of accrued departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Estimate of impairment of accrued departmental revenue		85 877	78 381
Total		85 877	78 381

Impairment of accrued departmental revenue emanates from the current debts register relating to properties leased out. This indicates that most tenants are struggling to meet the debt obligations hence the increase in impairment



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

23. Unauthorised, Irregular and Fruitless and wasteful expenditure

	Note	2022/23 R'000	2021/22 R'000
Unauthorised expenditure - current year		-	-
Irregular expenditure - current year		158 243	339 600
Fruitless and wasteful expenditure - current year		48 135	21 536
Total		206 378	361 136

Irregular Expenditure of R158 million consists of R126 million paid on expired lease, R5,7 million paid on services procured through 3 quotations and the R14 million paid for services of which tender procedures were not properly followed.

Fruitless and wasteful expenditure consists of R40 million paid due to a court order Settlement Hospital Oxygen supply and R8 million is for rental amount paid for Game building.

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

24. Related party transactions

	Note	2022/23 R'000	2021/22 R'000
Tax revenue		-	-
Total		-	-

List related party relationships and the nature thereof

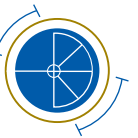
Related party relationships

- Department of Treasury free use of office building and cleaning services.
- Department of Education- Rental of Office building.
- Department of Infrastructure Development is related to Gauteng Department of Human Settlement and its entities since the two departments are reporting to the same MEC and free use of office Accommodation.
- Department of Roads and Transport and its entities-Rental of office buildings, free use of head office building and cleaning services.
- Department of Sports, Recreation, Arts and Culture- Rental and office building.
- Department of E-Government-Free use of head office building.
- Department of Social Development- Free use of head office building and cleaning services.
- Department of Community Safety- Rental of office building.
- Department Economic Development and its Entities- Rental of office buildings and cleaning services.
- Department of Agriculture and Rural Development and its Trading Entities- Rental of office buildings.
- Premiers Office- Free use of head office building.
- Department of Cooperative Governance and Traditional Affairs – Free use of head office building.
- Gauteng Provincial legislature- free use of office building.
- Gauteng Department of Health- Free office use of head office building and its entities

25. Key management personnel

	Note	2022/23 R'000	2021/22 R'000
Political office bearers (provide detail below)			
Political office bearers (provide detail below)		2 043	2 021
Officials:			
Level 15 to 16		10 728	9 900
Level 14 (incl CFO if at lower level)		20 591	20 328
Level 13		1 914	394
Officials:			
Total		35 276	32 643

The increase in Key management arises from senior management level vacancies been filled.



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

26. Provisions

	Note	2022/23 R'000	2021/22 R'000
Project retention		4 903	4 533
Total		4 903	4 533

Retention amount relating to capital projects of which upon completion of these projects these amounts will be released.

26.1 Reconciliation of movement in provisions - Current year

	2022/23			
	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	-	4 533	-	4 533
Increase in provision	-	370	-	370
Closing balance	-	4 903	-	4 903

Reconciliation of movement in provisions - Prior year

	2021/22			
	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	-	3 446	-	3 446
Increase in provision	-	1 087	-	1 087
Closing balance	-	4 533	-	4 533



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

27. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23				
	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	139 320	-	12 494	-	151 814
Transport assets	2 055	-	-	-	2 055
Computer equipment	62 346	-	8 763	-	71 109
Furniture and office equipment	30 402	-	1 995	-	32 397
Other machinery and equipment	44 517	-	1 736	-	46 253
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	139 320		12 494		151 814

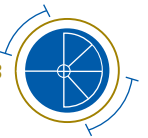
Additions under Office Equipment include an amount of R304 542.37 relating to Section 42 transfer in and computer equipment includes a fair valuation of R119 588.75

Computer equipment consist of 423 computer and laptops that were bought during the year under review for officials within the Department. The Department bought 20 Desks, 49 chairs, 4 office cabinet and 8 shelves under office furniture. Other machinery and equipment consist of workshop equipment, office equipment, kitchen equipment and audio visual.

Movable tangible 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		3 396	60 021
Biological assets		-	-

Unverified capital assets are as a result of unauthorised movement; however, measures are devised to mitigate the risk. Unverified assets will be further investigated when verification process for the new year commences.



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

27.1 MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	126 029	496	12 794	-	139 320
Transport assets	2 055	-	-	-	2 055
Computer equipment	56 530	335	5 481	-	62 346
Furniture and office equipment	28 474	139	1 789	-	30 402
Other machinery and equipment	38 970	22	5 525	-	44 517
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	126 029	496	12 794	-	139 320

27.1.1 Prior period error

	Note	2021/22 R'000
Nature of prior period error		
<i>Assets captured in current financial year relate to an invoice from the previous financial</i>		496
Minor asst recognised as major asset		496
Relating to 2021/22		-
Total prior period errors		496

27.2 Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	20	-	31 586	-	31 606
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	1 098	-	1 098
Disposals	-	-	-	1 228	-	1 228
Total Minor assets	-	20	-	31 456	-	31 476

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

27.2 Minor assets (continued)

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	11	-	24 899	-	24 910
Total number of minor assets	-	11	-	24 899	-	24 910

Minor capital assets under investigation

	Note	Number	Value R'000
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Included in the above total of the minor capital assets per the asset register that are under investigation:

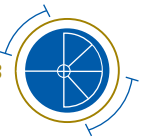
Specialised military assets		-	-
Intangible assets		-	-
Heritage assets		-	-
Machinery and equipment		12,098	14,971
Biological assets		-	-

Unverified minor assets are as a result of unauthorised movement; however, measures are devised to mitigate the risk. Unverified assets will be further investigated when verification process for the new year commences.

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	20	-	31 010	-	31 030
Additions	-	-	-	576	-	576
Total Minor assets	-	20	-	31 586	-	31 606

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	11	-	24 074	-	24 085
Total number of minor assets	-	11	-	24 074	-	24 085



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

27.2.1 Prior period error

Nature of prior period error	Note	2021/22 R'000
Relating to 2021/22 <i>[affecting the opening balance]</i>		-
Relating to 2021/22		173
Minor assets recognised as major assets		173
Total prior period errors		173

27.3 MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023

	2022/23					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	1 228	-	1 228
Total movable assets written off	-	-	-	1 228	-	1 228

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2022

	2021/22					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	-	-	-
Total movable assets written off	-	-	-	-	-	-

28. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	31 333	41 401	-	72 734
TOTAL INTANGIBLE CAPITAL ASSETS	31 333	41 401	-	72 734

The certificate of completion was issued out in 2020/2021 financial year however, there were unresolved matters hence recognition occurred in the current financial year.

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

28.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	31 333	-	-	-	31 333
TOTAL INTANGIBLE CAPITAL ASSETS	31 333	-	-	-	31 333

28.2 Intangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

		Opening balance 1 April 2022	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2023
	Note	R'000	R'000	R'000	R'000
Intangible assets	Annex 7	41 401	-	41 401	-
Total		41 401	-	41 401	-

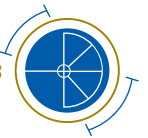
i. Prior period error

		2021/22
Nature of prior period error	Note	R'000
Relating to 2022/23 [affecting the opening balance]		
Relating to 2021/22		41 401
Total prior period errors		41 401

The certificate of completion was issued out in 2020/2021 financial year however, there were unresolved matters hence recognition occurred in the current financial year.

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

		Opening balance 1 April 2021	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2022
	Note	R'000	R'000	R'000	R'000	R'000
Intangible assets		40 588	-	813	-	41 401
Total		40 588	-	813	-	41 401



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

29. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	38 177 522	480 829	130 995	38 527 356
Dwellings	437 002	25 784	9 804	452 982
Non-residential buildings	36 514 892	445 829	118 534	36 842 187
Other fixed structures	1 225 628	9 216	2 657	1 232 187
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
LAND AND SUBSOIL ASSETS	1 694 348	71 124	1 605	1 763 867
Land	1 694 348	71 124	1 605	1 763 867
Mineral and similar non-regenerative resources	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	39 871 870	551 953	132 600	40 291 223

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		85	22 707
Heritage assets		-	-
Land and subsoil assets		59	42 777
Total		144	65 484

Deeds information showed a change in ownership of the assets. Investigation will be conducted to verify the accuracy of deeds information. Market values could not be found for some of the assets. Municipality is being engaged to ensure valuation of assets.

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

29.1 MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	35 837 912	1 200 732	1 143 238	(4 360)	38 177 522
Dwellings	404 951	26 410	10 001	(4 360)	437 002
Non-residential buildings	34 265 738	1 115 917	1 133 237	-	36 514 892
Other fixed structures	1 167 223	58 405	-	-	1 225 628
LAND AND SUBSOIL ASSETS	1 546 398	129 981	17 969	-	1 694 348
Land	1 546 398	129 981	17 969	-	1 694 348
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	37 384 310	1 330 713	1 161 207	(4 360)	39 871 870

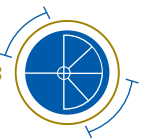
29.1.1 Prior period error

Nature of prior period error	Note	2021/22 R'000
Relating to 2021/22 [affecting the opening balance]		1 330 713
Correction of property valuation		1 110 863
Adjustment on transfer of assets and correction of vesting		219 850
Relating to 2022/23		-
Total prior period errors		1 330 713

29.2 Immovable tangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

	Note Annex 7	2022/23			
		Opening balance 1 April 2022	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2023
		R'000	R'000	R'000	R'000
Buildings and other fixed structures		142 456	13 887	(3 097)	153 246
Total		142 456	13 887	(3 097)	153 246



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
29.2 Immovable tangible capital assets: Capital Work-in-progress (continued)			
Payables not recognised relating to Capital WIP			
Capex accruals (Work in progress)		5 557	190
Total		5 557	190

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2021/22				
		Opening balance 1 April 2021 R'000	Prior period error R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing balance 31 March 2022 R'000
Buildings and other fixed structures		134 314	-	10 143	(2 001)	142 456
Total		134 314	-	10 143	(2 001)	142 456

29.3 Immovable capital assets (additional information)

	Note	2022/23	2021/22
a) Properties deemed vested	<i>Annex 9</i>	Number	Number
Land parcels		1 317	1 317
Facilities			
Schools		254	254
Clinics		5	5
Hospitals		20	20
Office buildings		49	49
Dwellings		189	189
Other		800	800
b) Facilities on right to use land			
	Duration of use	Number	Number
Schools		1 071	1 071
Clinics		45	45
Hospitals		18	18
Office buildings		5	5
Dwellings		6	6
Other		124	124

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

30. Prior period errors

30.1 Correction of prior period errors

		2021/22		
		Amount bef error correction	Prior period error	Restated
	Note	R'000	R'000	R'000

Assets:

Accrued departmental revenue	29	76 691	(872)	75 819
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Net effect

76 691	(872)	75 819
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Prior period error is because of misallocated payments and invoices in the previous financial years

		2022/23		
		Amount bef error correction		Amount bef error correction
	Note	R'000	Note	R'000

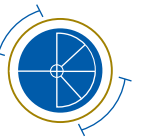
Liabilities:

Capital Commitments	18	133 732	6 981	140 713
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Lease commitments		996	(7)	989
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Net effect

134 728	6 974	141 702
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GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

31. Statement of conditional grants received

	2022/23						2021/22		
	GRANT ALLOCATION			SPENT			Division of Revenue Act / Provincial grants	R'000	18 988
Name of grant	Division of Revenue Act / Provincial grants	Roll overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department			
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
EPWP Incentive Grant	6 768	-	-	-	6 768	6 768	-	-	-
TOTAL	6 768	-	-	-	6 768	6 768	-	-	18 988

The Department received the total grant allocated from the National Department of Public Works in the current financial year.

32. Statement of transfers paid to municipalities

	2022/23						2021/22		
	GRANT ALLOCATION			TRANSFER			DORA and other transfers	R'000	18 988
Name of municipality	DORA and other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld			
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	
City of Joburg	382 056	-	-	382 056	186 424	-	-	350 000	
City of Tshwane	319 932	-	-	319 932	348 643	-	-	340 000	
Ekurhuleni	312 440	-	-	312 440	312 382	-	-	181 376	
Emfuleni	82 792	-	-	82 792	92 712	-	-	100 000	
Lesedi	14 672	-	-	14 672	23 869	-	-	6 000	
Merafong	13 624	-	-	13 624	26 316	-	-	15 000	
Midvaal	11 528	-	-	11 528	9 122	-	-	8 000	
Mogale	25 152	-	-	25 152	17 542	-	-	7 000	
DC48 West Rand Dist Municipality	14 672	-	-	14 672	16 425	-	-	18 000	
TOTAL	1 176 868	-	-	1 176 868	1 033 435	-	-	1 025 376	
								18 988	
								18 988	

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

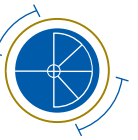
33. Broad Based Black Economic Empowerment performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

34. COVID 19 Response expenditure

		2022/23	2021/22
	Note	R'000	R'000
Compensation of employees		-	-
Goods and services		-	768
Total	<i>Annex 11</i>	-	768

The decrease in the number of Covid-19 cases reported resulted in reduction of costs for decontaminating of office buildings.



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 1G STATEMENT OF TRANSFERS TO HOUSEHOLDS

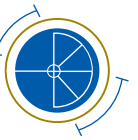
Household	2022/23				2021/2022			
	TRANSFER ALLOCATION		EXPENDITURE		TRANSFER ALLOCATION		EXPENDITURE	
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Bursaries	-	-	-	-	-	-	-	4
Injury on duty	328	-	-	328	292	89%	2 165	236
Leave gratuity	4 126	-	-	4 126	6 023	146%	2 340	5 576
Claims against the state	-	-	-	-	9	-	-	87
TOTAL	4 454	-	-	4 454	6 324	-	4 505	5 903

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 3B STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

Nature of liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Claims against the department	343 414	254 480	282 253	-	315 641
Subtotal	343 414	254 480	282 253	-	315 641
Environmental liability					
TOTAL	343 414	254 480	282 253		315 641



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 4 CLAIMS RECOVERABLE

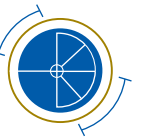
Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23*	
	31/03/2023	31/03/2022	31/03/2023	31/03/2023	31/03/2023	31/03/2022	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
E-Gov	-	5 149	-	-	-	5 149	-	-
Department of Health	4 026	17 813	-	-	4 026	17 813	-	-
Education	-	-	-	1 215	-	1 215	-	-
COGTA	-	9	-	-	-	9	-	-
SACR	-	-	6 195	6 195	6 195	6 195	-	-
GDARD	-	-	-	7	-	7	-	-
Gauteng Department of Roads and Transport	-	-	-	1 714	-	1 714	-	-
Gauteng Department of Community Safety	-	8 121	1 586	1 586	1 586	9 707	-	-
Subtotal	4 026	31 092	7 781	10 717	11 807	41 809	-	-
Other Government Entities								
G-Fleet	-	-	311	1 179	311	1 179	-	-
GEPP	-	-	1 637	-	1 637	-	-	-
Subtotal	-	-	1 948	1 179	1 948	1 179	-	-
TOTAL	4 026	31 092	9 729	11 896	13 755	42 988	-	-

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 5 INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 20YY/ZZ *	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Payment 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								
Current								
Gauteng Department of Agriculture	74	-	-	-	74	-	-	-
COGTA KZN	63	-	-	-	63	-	-	-
Dept. of Justice	-	5 517	2 663	-	2 663	5 517	-	-
Gauteng Community safety	-	476	-	-	-	476	-	-
Office of the Premier	-	-	1 896	-	1 896	-	-	-
E-Gov	1	393	-	-	1	393	-	-
KZN Dept. of Education	-	-	-	5	-	5	-	-
Economic Development	-	45	-	-	-	45	-	-
COGTA	-	40	-	-	-	40	-	-
Eastern Cape	-	57	-	-	-	57	-	-
Department of labour	-	-	6	-	6	-	-	-
Subtotal	138	6 528	4 565	5	4 703	6 533	-	-
Total Departments	138	6 528	4 565	5	4 703	6 533	-	-
OTHER GOVERNMENT ENTITIES								



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 20YY/ZZ *	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Payment 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
Current								
Gauteng Gov Motor Transport	-	985	3 594	-	3 594	985	-	-
Government Printing			42		42	-		
Subtotal	-	985	3 636	-	3 636	985	-	-
Total Other Government Entities	-	985	3 636	-	3 636	985	-	-
TOTAL INTERGOVERNMENT PAYABLES	138	7 513	8 201	5	8 339	7 518	-	-

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

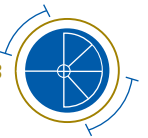
ANNEXURE 6 INVENTORIES

	2022/23				
	Protective Clothing and Food	Hardware (Building & Painting)	Electrical & Lubricant Supplies	Hardware (Plumbing, Mechanical, Carpentry & Filter)	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	2 468	2 252	4 009	5 807	14 535
Add/(Less): Adjustments to prior year balances	(803)	(1 385)	120	463	(1 605)
Add: Additions/ Purchases - Cash	3 280	(44)	-	1	3 325
(Less): Issues	(1)	(421)	(145)	(914)	(1 482)
Closing balance	4 943	490	3 984	5 357	14 774

Include discussion here where deemed relevant.

	2021/23				
	Protective Clothing and Food	Hardware (Building & Painting)	Electrical & Lubricant Supplies	Hardware (Plumbing, Mechanical, Carpentry & Filter)	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	11 861	381	3 653	(1 178)	14 717
Add: Additions/Purchases - Cash	3 826	5	1	-	3 831
(Less): Issues	-	(1 240)	(44)	(2 088)	(3 373)
Add/(Less): Adjustments	(13 219)	3 107	399	9 073	(640)
Closing balance	2 468	2 252	4 009	5 807	14 535

Include discussion here where deemed relevant.



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 7

MOVEMENT IN CAPITAL WORK IN PROGRESS

Movement in capital work in progress for the year ended 31 March 2023

	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	142 456		(3 097)	153 246
Non-residential buildings	142 456	13 887	(3 097)	153 246
SOFTWARE	41 401		(41 401)	-
Software	41 401		(41 401)	-
TOTAL	183 857	13 887	(44 498)	153 246

Movement in capital work in progress for the year ended 31 March 2022

	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
BUILDINGS AND OTHER FIXED STRUCTURES	134 314	-	10 143	(2 001)	142 456
Non-residential buildings	134 314	-	10 143	(2 001)	142 456
SOFTWARE	40 588	-	813	-	41 401
Software	40 588	-	813	-	41 401
TOTAL	174 902	-	10 956	(2 001)	183 857

GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

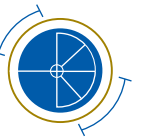
for the year ended 31 March 2023

ANNEXURE 9

ADDITIONAL INFORMATION ON IMMOVABLE ASSETS

a) Properties deemed vested		<i>Annexure 9</i>	Number	Number
Land parcels			1 317	1 317
Facilities				
Schools			254	254
Clinics			5	5
Hospitals			20	20
Office buildings			49	49
Dwellings			189	189
Storage facilities			-	-
Other			800	800

b) Facilities on right to use land	Duration of use	<i>Annexure 9</i>	Number	Number
Schools			1 071	1 071
Clinics			45	45
Hospitals			18	18
Office buildings			5	5
Dwellings			6	6
Storage facilities			-	-
Other			124	124



GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

ANNEXURE 11

COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification	2022/23				2021/22	
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services	-	-	-	-	-	788
Cons; Household Supplies	-	-	-	-	-	618
Property payments: Pest control / fumigation	-	-	-	-	-	150
TOTAL COVID 19 RESPONSE EXPENDITURE	-	-	-	-	-	768

