

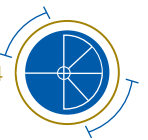
# Annual Report 2023-2024



**GAUTENG PROVINCE**  
INFRASTRUCTURE DEVELOPMENT  
REPUBLIC OF SOUTH AFRICA

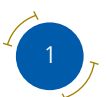


**GGT2030**  
GROWING GAUTENG TOGETHER



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# Part | A

GENERAL  
INFORMATION

## 1. DEPARTMENT GENERAL INFORMATION

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GPDID



GautengInfrastructure



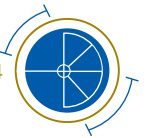
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Department of Infrastructure Development (DID)



GPG Infrastructure

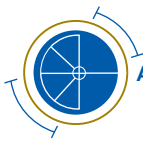


## 2. LIST OF ABBREVIATIONS/ACRONYMS

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







<b>PwD</b>	People with Disabilities
<b>RoFR</b>	Right of First Refusal
<b>ROMC</b>	Risk Operational Management Committee
<b>SDIP</b>	Service Delivery Improvement Plan
<b>SLA</b>	Service Level Agreement
<b>SMS</b>	Senior Management Staff
<b>SMME</b>	Small Medium and Micro Enterprises
<b>SCM</b>	Supply Chain Management
<b>SITA</b>	State Information Technology Agency
<b>STARS</b>	Sports, Transport, Agriculture, Rural Development and Social Development
<b>TA</b>	Treasury Approval
<b>TER</b>	Township Economic Revitalization
<b>TR</b>	Treasury Regulations
<b>U-AMP</b>	User Asset Management Plan



### 3. FOREWORD BY THE MEC



Infrastructure development serves as the bedrock for service delivery and a catalyst for economic growth, placing our department at the core of the Gauteng Provincial Government's efforts to create employment and facilitate economic recovery.

We acknowledge that there are opportunities to enhance our internal processes and project management throughout the development stages as prescribed by the Infrastructure Delivery Management System.

In this Seventh administration of the Gauteng Provincial Government, we have committed ourselves to mastering the fundamentals. This commitment entails ensuring our social infrastructure projects follow a linear process from design to construction and the eventual disposal of assets. Unfortunately, we have often witnessed projects

reverting to previous stages, resulting in costly delays and depriving our communities of essential infrastructure pivotal to improving their lives.

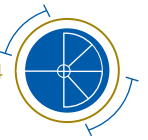
Mastering the fundamentals requires strict adherence to tools such as the Project Readiness Matrix, leveraging smart technologies, and introducing transparent reporting platforms, ensuring a single source of truth for our projects. We must automate our delivery process, enabling timely intervention when issues arise. Eliminating manual and outdated reporting methods is imperative, as these disrupt progress and cause project managers to operate in silos, relying solely on spreadsheets and paper documents.

To address this, we will introduce the Infrastructure Delivery Platform (IDEP) in the third quarter of this financial year. This digital project monitoring tool will enable key stakeholders and client departments to track construction and maintenance works throughout the building stages.

Key goals of the IDEP include:

- **Project Readiness Matrix (PRM):** Ensures compliance and fosters collaboration for project success.
- **Infrastructure Project Governance Lab:** Focuses on the effective management of project documentation.
- **Smart Technologies:** Integrates advanced technology for enhanced compliance, productivity, and sustainability.
- **Project Finance Compliance:** Addresses financial challenges to prevent project delays and failures.
- **Project Site Compliance:** Utilises technology to ensure standardised, compliant site management.

The digitisation project will empower key stakeholders and our client departments with critical project data at



their fingertips, fostering transparency and accountability, and providing insights into progress on the ground.

By mastering the fundamentals, the Department of Infrastructure Development is poised to streamline its project delivery pipeline and fulfil its mandate of supporting the provincial government's efforts to grow the economy and create jobs.

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**Mr Jacob Mamabolo**

**MEC: Gauteng Department of Infrastructure  
Development and COGTA**

**31 May 2024**

## 4. REPORT OF THE ACCOUNTING OFFICER



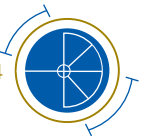
### Overview of the Operations of the Department:

I have great pleasure in presenting this annual report of the Department of Infrastructure Development (DID) for the period 2023/24. The performance of the Department is benchmarked against the objectives and targets which are included in the Annual Performance Plan for the 2023/24 financial year, aligned to the Growing Gauteng Together action plan, and the goals of the National Development Plan. This annual report serves as a reflection of what the department has accomplished and what the impediments were for not attaining other planned targets against the background of various factors in our operating environment that affect the pace of the DID infrastructure delivery programme. The factors include projects delayed by contractor terminations for performance reasons, lengthy intergovernmental processing of project plans and certifications, project stoppages by interest groups in communities, and the impact of current economic conditions on the ability of contractors to carry projects through the different phases of implementation, among others.

This Annual Performance Plan serves as a roadmap to implementation of the department's strategic objectives as set out in the five-year strategic plan for the 2020-2025. The performance data presented in this report is an expression of planning, sound monitoring and evaluation, as well as demonstrable implementation of our mandate. The achievements of the Department, as summarised in the Annual Report, reflects delivery of services.

To this end, the Department remains committed to improving the technical and administrative capacity as a means of maintaining an efficient, effective, and development-oriented public service that actively collaborates with empowered, fair, and inclusive citizens. The Department continues its efforts to strengthen control measures to address key issues around budgetary constraints and its critical dependencies on client departments; with the aim of ensuring that all invoices are paid within the prescribed time, and are of acceptable quality, and costs.

In terms of capacity, the Department currently has 147 registered built environment professionals and 1512 technical staff in total, a number that is better than, or comparable to some of the best infrastructure delivery organisations in the country. In the 2023/24 financial year, the weekly tracking workstreams were established for coordinating the implementation of action plans and strengthening internal control to address areas of weakness identified in the department. In the same vein, I am pleased to report an improved notable milestone in the attainment of the fourth consecutive unqualified audit outcomes on the annual financial statements and annual performance report with no material misstatements and reduction in non-compliance with laws and regulations as determined by the Auditor-General of South Africa (AGSA). Furthermore, the Department continues to ensure 100% compliance with e-disclosure requirements for the Senior Management Team and all other official as determined by the Department of Public Service and Administration (DPSA).



## Overview of the Results and Challenges for the Department

The 2023/24 financial year recorded both the wins and challenges for the department, which became a good basis for learning thus improving performance of the programs implemented by the department. It is with great pride that the department has integrated the Premier's pronouncements on elevated priorities, as part of the delivery targets and annual performance plan for implementation. To address infrastructure backlogs, the department has joined forces with the client departments and municipalities to unpack all issues related to incomplete projects.

The Premier of Gauteng has entrusted the DID with a mandate to coordinate the infrastructure workstream, which focusses on unlocking and accelerating completion of long delayed social infrastructure projects. The workstream is composed of COGTA Team that spearheads intervention projects with municipal challenges wherein projects with incomplete land and municipality mandates are prioritised. This team works in collaboration with the IGR structures and municipalities, as well as other government entities (i.e. City Power, Eskom). The workstream also seeks to prioritise the land acquisition needs of the provincial departments are by looking for land parcels that are better suited for the development of social infrastructure projects to assist in fast tracking the delivery of social infrastructure in the Province.

For the period under review, the Department had empowered a total of 269 emerging black firms, with women representing approximately 49% of that, and youth at 24% achievement. Apart from the achievements highlighted above, much still needs to be done to improve the delivery of infrastructure projects on time within budget and quality standard.

### Delivery of Public Infrastructure Projects

The Department is pioneering and pacesetting the delivery of Premier, Panyaza Lesufi's, Gauteng Energy Response Plan through the implementation of the first of its kind, R329 million investment in the GPG Solar PV and Battery Energy Storage System (BESS) Programme. This

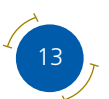
just energy transition programme has already rolled out solar systems at 28 health facilities inclusive of 10 hospitals across Gauteng including; Thelle Mogoerane Regional, Jubilee, South Rand and Kopanong hospitals. Over 12 400 solar panels have been installed through this programme. Thirteen Small Medium and Micro Enterprises (SMMEs) were appointed, creating 237 direct job opportunities, 187 indirect jobs and 50 work opportunities for Expanded Public Works Programme (EPWP) participants. This large scale roll out of Solar PV and Battery storage technology will provide a sustainable energy mix and drastically reduce the impact of loadshedding through the provision of alternative energy in Gauteng Provincial Government health facilities. Critically, this solution will mitigate against the disruption of critical health care services across Gauteng.

The Department continues to deliver on its key mandate of social infrastructure projects on behalf of client departments. Notwithstanding the challenges, the Department completed the construction of the new Braamfischerville Primary School, and the renovation and refurbishment on the 13 facilities as outlined below for the Department of Education:

- Renovations and refurbishments have been completed at Seotlwana, Mulbarton, Meyerton Primary Schools, Vereeniging Gymnasium mobile classrooms, Laerskool Unifees, Nancefield Primary School, Ditau Primary School, Prinshof LSEN, Delta Park Combined School, Laerskool Swartkop, Tsako Thabo Secondary School, Marotola Primary School, and demolitions at Vereeniging Gymnasium.
- There were also five upgrades and additions which were completed at Laerskool Frikkie Meyer School, LG Holele, Germiston High School, Ribane Laka Secondary School, and Mayibuye Primary School.

For the Department of Health, the Department managed to complete the following:

- Health infrastructure projects are vital for enhancing and expanding healthcare services, particularly in underserved areas. The Department made strides to ensure the commissioning of 10 electro-mechs at health facilities. These electro-mech projects took



place at Leratong Hospital, Johannesburg Provincial Laundry, Kopanong Hospital, Dr George Mukhari Academic Hospital, Laudium CHC, Zola CHC, Edenvale Hospital Laundry, Bonalesedi Nurses Residence, and Far East Rand Hospital.

- In addition, a total of 80 planned maintenance projects were completed on behalf of the Department of Health with eight (8) conditions assessments conducted.

On behalf of Department of Sports, Transport, Agriculture, Rural and Social development (STARS). The Department sectionally completed the construction of the Bantu Bonke Early Childhood Development Centre. Rehabilitations, refurbishments, and renovations were completed at four (4) facilities i.e., Thusanong building, Tshwane Maintenance Hub, Dr Fabian & Florence Ribeiro Treatment Centre. (Sectional) and 75 Fox OHS. In addition, a total of 49 planned maintenance projects were completed, with 78 conditions assessment conducted on state-owned buildings.

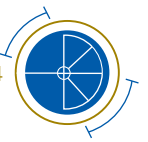
## Property Management

The Department has through the management and maintenance of the property portfolio, maintained the Immovable Asset Register in terms of Treasury Regulations. The portfolio also included the identification, assessment, and maintenance of properties. The property management strategy has since been approved and is currently being implemented by the department.

The Department has improved regarding the rand value of rates and taxes paid to about R962 million and the utilisation of available credits to a value of R169 million. This has brought the total to about R1 131 billion on this item compared to the R1 033 billion utilised in the previous financial year. The rental collection recorded a total amount of about R22 million, against the planned target of R24 million. In terms of socio-economic infrastructure, a total of 20 were properties released for socio-economic infrastructure development, there were an additional seven facilities provided to user departments and four inspections conducted for office accommodation. Moreover, the Department disposed of a total of five non-core immovable assets and transferred a total of nine during the year under review.

## Expanded Public Works Programme

The Department plays a crucial role in addressing challenges of poverty and unemployment as identified in the National Development Plan while contributing to the GGT2030 outcome of Economy, Jobs, and Infrastructure. The Department is mandated to coordinate the Expanded Public Works Programme (EPWP) and report on work opportunities created by the programme in the Gauteng Province. The number of work opportunities created in the 2023/24 financial year is 2 557. Work opportunities created by provincial departments are recorded at 38 990 and 57 478 for municipalities. An important foundation of the EPWP was the provision of training and skills development, to ensure beneficiaries, become better job seeker candidates and/or small business owners. In the financial year 2023/24, a total of 2 501 EPWP participants successfully completed skills development programmes.



## Overview of the financial results of the department:

### Departmental receipts

Departmental receipts	2023/2024			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	23 367	13 744	9 622	30 664	16 537	14 127
Interest, dividends and rent on land	-	74	(74)	-	271	(271)
Sale of capital assets	-	9 401	(9 401)	-	11 378	(11 378)
Financial transactions in assets and liabilities	843	853	10	807	7 534	(6 727)
<b>Total</b>	<b>24 210</b>	<b>24 072</b>	<b>156</b>	<b>31 471</b>	<b>35 720</b>	<b>(4 249)</b>

The Department revenue target for the year 2023/24 was R24 million, to date the Department collected R24 million of its annual target. The current year's collection includes R9,4 million from the disposal of properties, recoverable revenue related to prior year expenditure, and rentals from commercial and residential properties. This represents a collection of 99,4% of the overall projected revenue.

Revenue from the sale of goods and services consists of rental dwellings amounting to R12 million, rental of open and closed cover parking amounting to R581 000 and other revenue amounting to R820 000. During the year, the Department collected R1 million from 170 residential tenants and R8 million from 78 commercial tenants; the remaining balance of R3,2 million was paid by tenants whose lease contracts have expired. Commercial tenants have the potential to reach the annual revenue target since they collected 67% of the target.

An improvement in revenue collection of R9,4 million is due to sales of five (5) residential properties during the year through public auction. Sales of residential properties are based on Exco's decision to sell non-core assets. The Department also received R853 000 from recoverable revenue in relation to prior year expenditure.

The Department has under-collected on the sale of goods and services due to tenants not being able to afford the rentals. Most of the lease contracts have expired and the Department is in the process of renewing the lease contracts. A total number of 112 tenants with outstanding debt value of R64 million have been handed over to legal services for recovery of outstanding debt and evictions, where needed. Intervention letters have been submitted to the Accounting Officers of all employees in occupation of government properties and not paying. The Department has engaged with e-GOV to explore options for recovering rental and outstanding debt through other avenues.

The Department is currently developing a framework for the leasing of vacant and underutilised properties. The facilities identified by the Department as available will be offered through open tenders.



## Programme Expenditure

	2023/2024			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	531 820	530 334	1 486	479 238	448 389	30 849
Public Works Infrastructure	2 969 044	2 953 562	15 482	2 726 377	2 670 562	55 815
Expanded Public Works Programme	272 421	272 421	-	149 620	123 530	26 090
<b>Total</b>	<b>3 773 285</b>	<b>3 756 317</b>	<b>16 968</b>	<b>3 355 235</b>	<b>3 242 482</b>	<b>112 753</b>

The table above provides an analysis of Departmental expenditure performance per programme. In the year 2023/24 the Department was allocated a budget of R3,773 billion, to date R3,756 billion has been spent. Despite the 99,55% of the allocated budget being spent, the Department underspent by R16,9 million compared to R112 million in the previous financial year. Out of the R16,9 million underspent, R6,2 million related to alternative energy, R 5 million related to maintenance and repairs, R1,4 million related to legal services, and R4,1 million related to security services.

Overall, the 2023/24 allocation increased from R3,3 billion in the prior year to R3,7 billion in the year 2023/24, increase is due to additional funding of R329 million received in relation to alternative energy and R100 million for office accommodation.

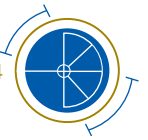
### Programme 1

Administration was allocated a budget of R531 million, to date R530 million was spent. The budget allocation for the current year increased by 11% compared to the previous financial year. The 11% increase in the budget allocation from the Provincial Treasury related to the settlement of court orders and cost of living adjustment. This programme provides strategic leadership to the Department and supports core programmes.

All activities implemented within this programme are administrative. Underspensing of R1,5 million related to legal services. The Department spent 99,7% of its allocation in the year 2023/24 compared to 93,5% in the year 2022/23. The Office of the MEC spent 100% of its allocated budget. Corporate Support spent 99,7% of its allocated budget and Management spent 100% of its allocated budget.

### Programme 2

The purpose of this programme is to deliver essential services mandated to the Department. A significant part of the Department's budget is allocated to this programme. Public Works was allocated a budget of R2,9 billion in the year 2023/24 compared to R2,7 billion in the previous financial year. The overall increase is due to additional funding for alternative energy and office accommodation. To date, the Department spent 99,5% of its current year budget compared to 97,9% that was spent in the previous financial year. Underspensing of R15,4 million relates to current year invoices for repairs and maintenance, alternative energy, and security services. The Department received services for these items in the year 2023/24, however, invoices were submitted for payment after the cut-off period and will be paid in the following year. Construction spent 98% of its allocated budget, Maintenance spent 104% of its allocated budget and Immovable Assets spent 99,6% of its allocated budget.



### Programme 3

This programme forms part of the key priorities of the province since it develops and empowers communities. The aim is to improve the skills of the beneficiaries and empower them to be self-sufficient after they have exited the program. Two new programmes were introduced in the year 2023/24, i.e., vacant sites and facilities and health maintenance aimed at improving the skills of the beneficiaries.

EPWP was allocated a budget of R272 million for the year 2023/24 compared to the previous financial year's budget of R149 million. The increase in the allocation is because of the two new programmes and training services that were introduced in the current financial year. This programme accounts for 7,2% of the overall budget allocation for the Department. The programme spent 100% of the current financial year's budget compared to 83% spent in the previous financial year. Programme support spent 99.9% and Community Development spent 100% of their allocated budget.

### Shift and Virements

Programme Name	2023/2024			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation
	R'000	R'000	R'000	R'000
Administration	472 462	-	59 358	531 820
Public Works Infrastructure	3 047 952	-	(78 908)	2 969 044
Expanded Public Works Programme	252 871	-	19 550	272 421
<b>Total</b>	<b>3 773 285</b>	<b>-</b>	<b>-</b>	<b>3 773 285</b>

### Funds Shifted

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

**Program 1** – An amount of R28 million under goods and services within sub-programmes has been implemented.

**Program 2** – An amount of R33 million from CAPEX will be shifted to maintenance and repairs to defray possible over expenditure. An amount of R2 million under goods and services will be shifted to compensation of employees shifted within sub-programmes to defray possible overspending. A shift of R183 million from rates and taxes to travel and subsistence, security services, operating lease, and fleet services has been implemented. A R10 million shift from Machinery & Equipment to other overspending items in programme.

**Program 3** – An amount of R4 million within programme support under goods and services has been shifted to cover possible overspending within the sub-programme.

### Virements

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

**Program 1** – An amount of R84 million will be moved through a virement from Program 2 under Rates and Taxes to Program 1 Goods and Services to cover legal costs.

A virement of R25 million has will been moved from Programme 1 under compensation of employees to Programme 2 to cover the overspending on the compensation of employees in programme 2 and 3.

Program 2 – Overall, the Department implemented a virements of R96 million to programme 2 and 3 to defray possible overspending on goods and services.

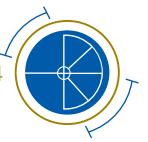
Program 3 – A virement of R12 million will be shifted from Programme 2 to Programme 3 to defray possible overspending on goods and services.

## Rollover

Descriptions	2023/2024					
	Adjusted Appropriation	Expenditure	Available Budget	% Spent	Committed but not paid	% Spent
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	1 242 183	1 244 054	(1 871)	100,1%	-	100,1%
Goods and services	1 151 267	1 135 417	15 850	99%	10 675	99,84%
Interest and rent on land	7 998	11 301	(3 303)	100%	-	100%
Transfer and subsidies	967 521	967 518	3	99,99%	3	100%
Payment of Capital Assets	403 064	397 542	5 522	98,6%	6 290	100%
Payments for Financial Assets	1 252	485	767	38,7%	-	100%
<b>Total</b>	<b>3 773 285</b>	<b>3 756 317</b>	<b>16 968</b>	<b>99,55%</b>	<b>16 968</b>	<b>100%</b>

Rollovers relate to commitments made by the Department before year-end 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 the Provincial Treasury. These commitments will be raised as accruals at year-end provided goods and services were delivered 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 electronic invoice submission system on time. To date, the Department spent 99,55% of its allocated budget, which resulted in an underspending of R16,9 million. If the rollover is approved by Provincial Treasury, the overall Departmental expenditure will improve from 99,55% to 100%.

The application for rollover is made in line with Treasury Regulations paragraph 6.4 prescribes a limit of 5% of the Department's payments for goods and services and no limit applicable for capex, rates, and taxes. The Department's adjusted budget for goods and services after year-end virements and shifts is R1,151 billion, therefore, the 5% of the allocation is approximately R57,55 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 2024

### Fruitless and Wasteful Expenditure

Descriptions	2023/24
	R'000
Opening Balance	48 135
Fruitless and wasteful expenditure - Relating to current year	11 301
Less: Amount Resolved	(59 436)
<b>Closing Balance</b>	<b>-</b>

The above table represents fruitless and wasteful expenditure that was reported in the previous year and current year. As at the end of 2023/24 the Department reported a closing balance of R59 million which has been written off. This amount consists of interest paid due to court settlements paid to suppliers for various projects. A circular was also issued to all officials to refrain from incurring fruitless and wasteful expenditure. The Department has since reported fruitless and wasteful expenditure to the accounting officer following National Treasury instruction no 4 of 2022/23 and Treasury Regulation 9.1.2.

### Irregular Expenditure

Descriptions	2023/24
	R'000
Opening Balance	2 177 294
Irregular Expenditure - Relating to current year	130 227
Less: Amount Resolved	-
<b>Closing Balance</b>	<b>2 307 521</b>

The above table consists of an opening balance of R2,1 million and current year's movement of R130 million. The current year's movement consists of expired lease agreements for office accommodation and projects, of which the expenditure incurred was in contravention of the Supply Chain Management prescripts. The Department has since rectified the process through a tender advert for office accommodation. This process will eliminate future irregular expenditures. The Department has concluded the investigation of the irregular expenditure and referred the outcome to the Provincial Treasury for condonement.

### Public Private Partnership

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 explored 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 bid documents have been approved. The request for proposals (RFP) was advertised through an open tender process for bidders to respond to. At year end the RFP advert had not yet closed.

## 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) implementing the EPWP Health Maintenance Programme across three (3) Metropolitans and two (2) District Municipalities within Gauteng. This should benefit 1 230 participants across five corridors of the province. The participants will do garden maintenance and clean 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:

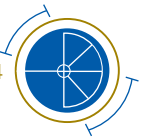
- To create sustainable labour-intensive work opportunities.
- To create work opportunities for unskilled and unemployed youth.
- To meet the DID objective to sustain employment opportunities and contribute to the eradication of poverty.
- To increase the employability and self-sustenance of young people by providing them with skills while gaining work experience and exposure in the working environment.
- Provide garden maintenance and cleaning of administrative facilities within health institutions.
- Instil a sense of pride and ownership in the community through keeping a safe and clean environment.

To this effect, the Department has allocated a budget of R52 million for the year 2022/23.

**Vacant Land and Facilities Maintenance:** The programme involves the manual and physical clearing of provincially-owned vacant sites and properties whose grounds and offices will be maintained through employing the poorest of the poor as labour. The programme will be implemented as part 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 or her duly appointed designee in a sustainable manner. The targeted groups for this programme are women, youth, and people with disability, including adults. The 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); and
- f) Social development skills; and how to identify indigenous trees and alien plants.



## Green Technology

During the 2023/24 financial year, the department received an allocation of R329 million during the budget adjustment period to install Solar PV and Battery solution options at selected healthcare facilities. Health institutions are now able to operate during loadshedding period and to realise cost savings on electricity costs and to ensure.

The Solar PV and Battery solution project was commissioned on the following institutions: Jubilee Hospital, Chris Hani Baragwanath Hospital, Maintenance Hub, Weskoppies Psychiatric Hospital, Sizwe Tropical Disease Hospital, Far East Rand Hospital, Thelle Mogoerane Hospital, South Rand Hospital, Sebokeng Hospital, Pretoria West Hospital, Kopanong Hospital, Bronkhorstspuit Hospital, Lenasia Clinic, Refilwe Community Clinic, Soshanguve JJ Clinic, Ga-Rankuwa View Clinic, Kliptown Clinic, Diepkloof Zone 3 Clinic, Barney Molokoane Clinic, Thembelihle Clinic, Orange Farm Ext 7 Clinic, Maria Rantho Clinic, Empilisweni Clinic, Lillian Ngoyi Community Health Centre, Lenasia Community Health Centre, Kgabo Community Health Centre, Temba Community Health Centre, Mofolo Community Health Centre and Nokuthela Ngwenya Community Health Centre.

The Department has completed the supply, installation, and commission of smart electricity meters configured on an online platform to add value in the correction of billing, as well as opportunities for energy savings. More than 100 smart meter installations were completed covering hospitals, schools, laundries, and offices across Gauteng.

GPG buildings must comply with the energy performance regulations set out by the Department of Minerals and Energy (DMRE). This project seeks to supply physical energy performance certificates (EPCs) for applicable buildings and schools to follow the regulations, thus avoiding penalties. A total of twenty (20) 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. Therefore, compliance with requirements is legally binding and must be achieved, as a result more budget is needed.

Green Star-rated buildings are estimated to use 66% less energy (electricity) and 51% less water than average buildings; these savings benefit the departments as the certified buildings spend less for utilities. The project has been implemented in four (4) facilities, namely: Julius Sebolai Primary School, Sinenhlanhla Primary School, Kekana Gardens Clinic and Dewagendrift Clinic. 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. The successful implementation is a springboard for solid for further upscaling of the green agenda, which can be achieved through suitable procurement processes.

## 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.**

The Department established various panels which were subjected to probity audit processes to ensure full compliance with procurement prescripts. Service providers and contractors with tender values above R2 million are subjected to a probity auditing when they are not appointed from existing panel to enhance compliance with all legislative prescripts and processes, to prevent irregular expenditure. All findings raised by probity auditors are resolved by the Bid Specification and Evaluation Committees before proceeding to the next phase of the acquisition process. In addition, the Department developed standard operating procedures for utilisation of various panels to ensure uniform and consistent application of the procurement processes.

- **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 complied with. However, the committees will be cognisant of the time to process tenders, the processing must be shorter than normal bid processes. SCM Policy has been updated to the process that should be followed should a tender be regarded as an emergency; this increases the prevention of the irregular expenditure.

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

- The number of probity auditors available for the workload is not adequate and this will have an impact on deadlines not achieved and affect service delivery. It is recommended that GPT must increase the capacity of probity auditors.
- Limited number of specific goals for the targeted group affect the target within SCM. The Department is in the process of augmenting maintenance panels targeting MV and PwD.
- Manual submission exposed to possible human error. The Department is currently in the process of automating the procurement process.

- **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 2023/24.

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

The Department did not receive any exemptions from National Treasury during the year under review. Supply chain management unit reported deviations and various projects to Gauteng Provincial Treasury and AGSA where contract amount were varied by more than 15% or R15 million for goods and services and 20% or R 20 million 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.

## Acknowledgements or Appreciation

In conclusion, I would like to thank the Member of the Executive Council Mr Jacob Mamabolo, MPL, the staff of the Department, Audit Committee, Infrastructure Portfolio Committee, Client departments and all stakeholders who contributed to the work of the Department during the reporting period.

## Approval and sign-off

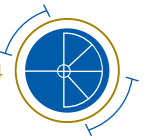
In our opinion, the information provided in the Annual Report including both the performance information and annual financial statements reflect the operations of the department for the 2023/24 financial year.



**Ms Masabata Mutlaneng**

**Accounting Officer: Department of Infrastructure Development**

**Date: 31 May 2024**



## 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 2024.

Yours faithfully

**Ms Masabata Mutlaneng**

**Accounting Officer Department of Infrastructure Development**

**Date: 31 May 2024**





## 6. STRATEGIC OVERVIEW

### 6.1 Vision

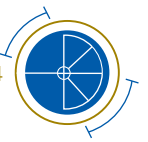
A champion of GPG socio-economic development and spatial transformation through sustainable infrastructure development and comprehensive immovable asset management

### 6.2 Mission

To lead infrastructure delivery, optimise fixed capital investment, and manage the full cycle of GPG owned immovable assets in a manner that contributes to economic transformation and job creation.

### 6.3 Values

Value	Description - Behaviour and/or action demonstrating the value commitment
<b>People-centric</b>	<ul style="list-style-type: none"> <li>Guided by the principles of Batho Pele, we put people at the centre of all our decision-making processes;</li> <li>Our stakeholders are consulted and actively engaged with through various existing and new platforms and forums; and</li> <li>Feedback is encouraged and actioned as part of our drive for continual improvement and operational excellence.</li> </ul>
<b>Professional</b>	<ul style="list-style-type: none"> <li>We hire and retain professionals who are experts in their respective areas of work;</li> <li>In this way, we are able to provide quality products and serve our stakeholders with distinction and leadership across the infrastructure value chain; and</li> <li>Our management and staff are presentable, credible, and punctual, and act ethically, with integrity and honesty at all times.</li> </ul>
<b>Teamwork</b>	<ul style="list-style-type: none"> <li>We work together as a team to achieve the strategic priorities of government and outcomes for our beneficiaries;</li> <li>Our processes and systems encourage teamwork and are implemented within an enabling environment; and</li> <li>We use teamwork to improve collaboration and encourage open communication within the Department and with stakeholders.</li> </ul>
<b>Accountable</b>	<ul style="list-style-type: none"> <li>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;</li> <li>When mistakes are made, we take corrective action and resolve the situation quickly; and</li> <li>We reward exceptional performance, while implementing stringent consequence management.</li> </ul>
<b>Transparent</b>	<ul style="list-style-type: none"> <li>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</li> <li>We strive to ensure that our processes are explicit, open, and unambiguous.</li> </ul>
<b>Solutions-oriented</b>	<ul style="list-style-type: none"> <li>We deploy our scarce resources optimally and using technology we can provide an ever-increasing range of infrastructure and property management solutions;</li> <li>This requires us to be problem solvers and to find innovative solutions to problems; and</li> <li>Through continuous improvement, we strive for operational excellence across the infrastructure value chain.</li> <li>Agile and easy adaptable team.</li> </ul>



Value	Description - Behaviour and/or action demonstrating the value commitment
Innovative	<ul style="list-style-type: none"> <li>To be open to new ideas and develop creative solutions to problems in a resourceful way;</li> <li>Introduction of new technologies or upgrades that are designed to achieve both product differentiation and low costs;</li> <li>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</li> <li>Employees use their imaginations to drive innovation.</li> </ul>
Ethical conduct and integrity	<ul style="list-style-type: none"> <li>Ensuring that we are consistent in our values, principles, actions, and measures and thus generate trustworthiness among ourselves and with our stakeholders; and</li> <li>Being honest in the best interests of the Department, the taxpayers, and the public we serve, taking pro-active steps to improve governance and prevent and act against corruption and maladministration.</li> </ul>

## 7. LEGISLATIVE AND OTHER MANDATES

### 7.1 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, to provide for procedures for the eviction of unlawful occupiers, and to repeal 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.
- 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 in order 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.
- 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.

### **Gauteng land Administration Act of 1996**

The Act provides for the acquisition and disposal of land owned by the Gauteng Provincial Government.

### **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.

## **7.2 LEGISLATION GOVERNING THE BEHAVIOUR OF PARTIES**

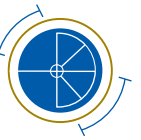
These pieces of legislation protect the interests of parties contracting with the organs of State.

### **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.
- 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.

## **7.3 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)**

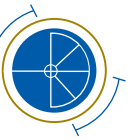
The Act establishes a legislative framework for the promotion of black economic empowerment and to empower the Minister of Trade and Industry to issue codes of good practice and to publish transformation charters.

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 R1.0 million) and 90:10 preference points system (for tenders above R1.0 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.

### **Township Economic Development Act (TEDA), Act 2 of 2022**

The act provides for the designation, promotion, development, and operation of Township Enterprise one Co-ordination and Management Centres, to provide for the establishment of the Township Fund.

## **7.4 LEGISLATION GOVERNING CONSTRUCTION INFRASTRUCTURE DELIVERY**

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

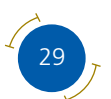
The Act provides for the establishment of the Construction Industry Development Board (CIDB) to implement an integrated strategy for the reconstruction, growth, and development of the construction industry. The CIDB Act (2000) mandates the Board to establish and maintain a National Register of Contractors (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.

### **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.

## **Legislation regulating the employment of Public Servants**

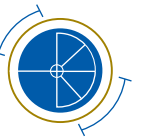
The various pieces of legislation regulating the employment of public servants include, but are not limited to the following:

- 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).

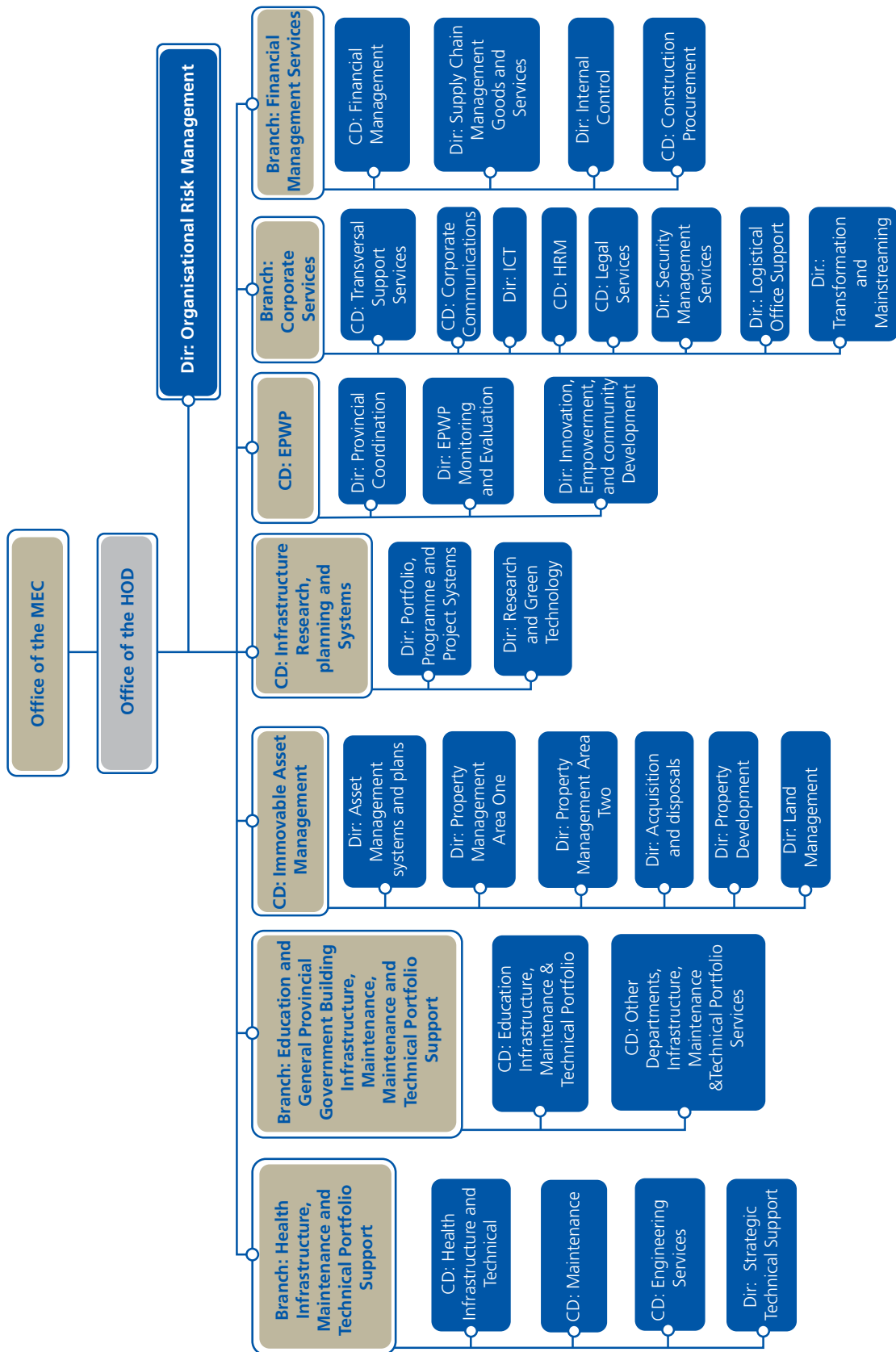
## **7.5 PROVINCIAL POLICIES IMPACTING ON THE SCOPE OF WORK OF THE DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT**

There are a number of 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.



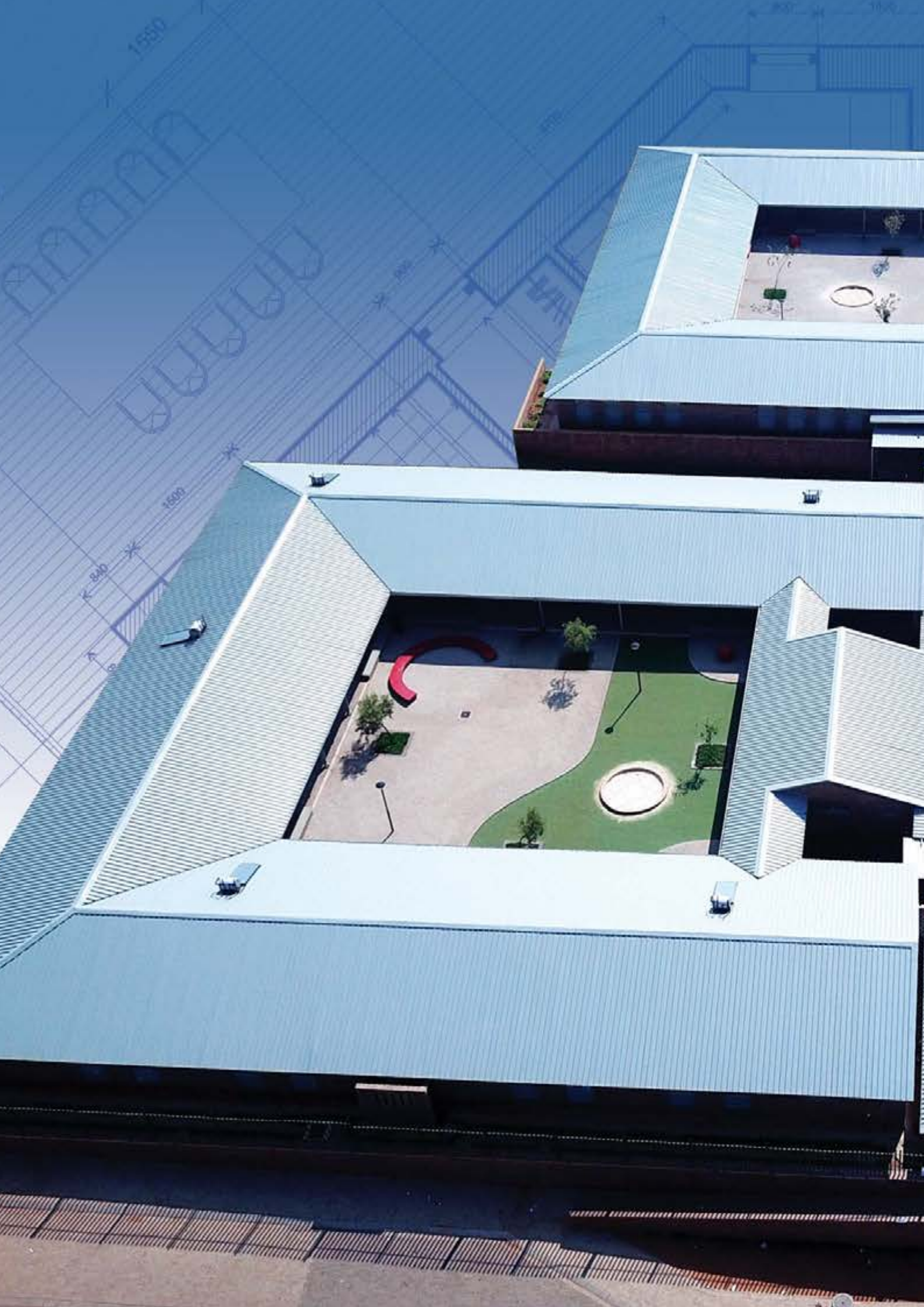
## 8. ORGANISATIONAL STRUCTURE



## 9. ENTITIES REPORTING TO THE MEC

There were no entities reporting to the MEC for year under review.







# Part | B

PERFORMANCE  
INFORMATION

MOSES KOTANE  
PRIMARY SCHOOL

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

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service Delivery Environment

#### External Environment Analysis

Gauteng still includes the largest share of the South African population, with approximately 14 237 800 people which accounts for 25.3% to the country's population (Stats SA, 2022). The province is regarded as a place of opportunities, drawing in-migration mostly from rural provinces across the country. As the population consistently grows due to in-migration and other factors, this puts pressure on the it to provide adequate healthcare and educational facilities, including other public infrastructure facilities to the citizens. The high rate of poverty, inequality, and unemployment in South Africa, coupled with a widely recognised skills shortfall in key sectors of the economy, presents an opportunity to introduce meaningful interventions to realise Gauteng's goal of inclusive economic growth through improving the efficiency, innovation, and variety of government-led job creation and skills development initiatives.

As the Department approaches the end of the sixth term of government administration, it is critical to note the Department has made significant efforts in entrenching the capability for delivering high quality infrastructure projects. Adequate infrastructure is the pillar of the economy in Gauteng, and South Africa at large; therefore, the province continues to prioritise investments in infrastructure as part of its efforts towards the realisation of inclusive growth. The Department acknowledges that it needs to improve its approach to project management to deliver quality infrastructure on time and at reasonable costs.

The GIAMA and the Land Administration Asset Management Act gives the department sufficient muscle to exercise its powers as custodian of provincial government assets. However, there are hindrances to the exercise of this mandate since the budget remains with user departments. This is a gap that requires attention and a possible review of legislation to enforce the commitment of funding towards assets identified in the User-Asset Management Plan (U-AMP) by user departments for inclusion in the Custodian-Asset Management Plan (C-AMP).

Technology is playing a pivotal role in shaping the industries of today by augmenting processes, streamlining activities, and integrating innovations to propel the functioning of institutions across a multitude of industries and help them achieve new heights. Therefore, rapid urbanisation requires an expansion in infrastructure (healthcare, education, and laboratory facilities) that are well equipped with Information and Communication Technology (ICT) infrastructure. The built environment sector is no exception, as it is benefiting rapidly due to the integration of the latest technology. Lack of agile responsiveness to changing sectoral, technological, economic, and environmental conditions have been cited as a threat to the continued effectiveness of the Department. This implies that there is a greater need for the Department to keep up with the latest technological advancements.

It is clear that the province and the country is still recovering from the post-pandemic factors as the provincial economy is still 1% below what it was in 2019. The turnaround time for post-pandemic recovery is yet to be determined, as it is also affected by the global economic outlook, for example, the high inflation rate. This has put much strain on the Department to continue delivering on its mandate amid the dire economic landscape in the country.

### Internal Environment Analysis

The Department is learning several lessons in the form of immediate, medium-, and long-term interventions to prevent re-occurrences on future projects. The Department is planning to introduce a Centralised Provincial Contractor Performance System to manage the performance of contractors and to apply pressure on poor-performing contractors. There are efforts to increase the visibility of security at construction sites to reduce vandalism and this will need budget allocation as part of the project costs. The Department is also planning to deploy a Rapid Response Team to resolve issues related to community and business forums that have stopped a number of projects.

In the effort to deliver public infrastructure projects, there were certain challenges identified by the Department. These include changes in project scope, cashflow problems by the contractors, community unrests and construction mafias, which caused delays in completion of projects. Some of these challenges, at times, have resulted with contractors abandoning the sites. To address these, the Department is making attempts to foster integration in infrastructure planning, coordination, and implementation within the three spheres of government and the establishment of an Integrated Planning Forum in the province to deal with provincial spatial planning, land acquisition and bulk infrastructure.

Regarding human resources, the Department is sitting at a 13% vacancy rate. A total of 108 positions were prioritised for the 2023/2024 financial year. To date, 206 are filled due to the high number of vacancies because of natural attrition. The Department is unable to achieve a 10% vacancy rate after the implementation of Circular 49 of 2023 to manage fiscal sustainability, which specifies that all vacant posts linked to active salary scales listed (in the case of DID, only Engineering and Related Professionals are unaffected by this Directive) shall be blocked on PERSAL.

## 2.2 Service Delivery Improvement Plan

The Department has completed a Service Delivery Improvement Plan (SDIP) for 2022–24. The SDIP focused on improving our revenue generation through the leasing out of GPG properties to interested parties. 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	5
		3 properties released for socio-economic infrastructure development	6 properties to be released for socio-economic infrastructure development	20
		9 facilities provided to user departments (fit for purpose)	8 facilities provided to user departments (lease)	7

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

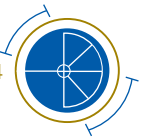
Current/actual arrangements	Desired arrangements	Actual achievements
Clients complaining about the vague process on leasing the government properties. Client's access DID information through walk-ins, telephonic and e-mail correspondence.	Ensure the leasing process is simplified so that it can be user-friendly for clients.  Process duly communicated to citizens / 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 available on Departmental Intranet or website and social media.	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 X (formally known 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
The majority of complaints are received through the Customer Relations Management System hosted by the Office of the Premier (OoP).	A Customer Relations Management System hosted directly by the Department.	A Memorandum of Understanding has been entered into with OoP on the management of complaints.  Complaints Management representatives identified for each branch.  During the period under review, DID received a total number of 41 cases.. Of the 41 cases, 68% (28) pertained to the Extended Public Works Programme (EPWP), 22% (9) related to Property Management, 8% (3) were for Education, and lastly 2% (1) related to Health. Of the total complaints received, 76% (31) were resolved and 10 are still pending. Of the pending cases, 6 are related to Property Management and Education (3), as well as Health (1).



## 2.3 Organisational environment

The province has over the past few years been plagued by an inability to complete projects within budget and on time. This left the province littered with incomplete and abandoned infrastructure projects, costing millions of rands, and providing no benefit to the people of the province. In efforts to recognise and acknowledge this challenge, the provincial government, back in 2022, made a commitment that in the next two years, the Gauteng government will prioritise completing incomplete infrastructure projects and the acceleration of the completion of new infrastructure projects across all regions. To accomplish this, DID was tasked to coordinate and lead a war room which brought critical role players to deal with project inefficiencies, delivery and to also create partnerships. As a result, during the statutory audit that took place during the 2023/24 financial year, the Department did not receive any material findings on an audit of pre-determined objectives (AOPO). Further, the financial statements were also free from material misstatements. 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

The departmental policies undergo scheduled reviews every three years or as necessitated by amendments, and legislative updates are promptly enacted as required. During the review period, there have been no substantial alterations observed in the pertinent policies or legislation affecting our department's operations. The Department is committed to adhering to the prevailing regulations and policies governing construction infrastructure delivery, employment, property management, and procurement, and this commitment remains unwavering.

# 3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The primary mandate of the department revolves around its responsibility to act as a custodian of immovable assets that vest with the GPG in terms of the Government Immovable Asset Management Act (2007) (GIAM). The DID acts as the manager of the full lifecycle of all fixed property owned by the Gauteng Provincial Government, as the sole public infrastructure delivery department in the province and the provincial coordinator of the Expanded Public Works Programme (EPWP).

*Outcome: Optimised-public owned fixed property portfolio:* In fulfilment of its mandate, the Department remains committed to benefit the people of the province by the acquisition, development, operating and maintaining, and disposing of public-owned fixed property in a manner that contributes to spatial and socio-economic transformation. This is seen through continuous compliance in ensuring that immovable assets are verified in the asset register, municipal rates and taxes paid, and revenue collected. This, among other achievements, include the release of properties for socio-economic purposes and providing facilities to user-departments through leasing.

*Outcome: Efficient and effective delivery of smart public infrastructure:* During the current political term, the Department has completed a total of 91 infrastructure projects. Of those, 56 were on behalf of the Department of Education, 18 for Health and 17 other departments. Highpoints were seen in the delivery of the new Bramfischerville Primary School, five community libraries and 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 centre, namely, Devon/Impumelelo ECD, which some people call the John Jangaiso ECD. A sports facility under 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 still be 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 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 are mandated to provide executive support services, promote ethical and good governance within the Department.

The table below depicts sub-programmes under the Administration Programme

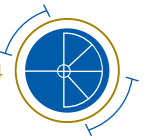
Sub-programme	Purpose
Office of the MEC	Management of the executive office and provision of executive support to ensure that the Executive Authority can fulfil their mandate as prescribed by legislation.
Office of the HOD	Management of the office of the HOD and the provision of support to enable the HOD to provide the Department with administrative and strategic leadership to fulfil all statutory and strategic requirements pertaining to the functioning of the Department.
Financial Management and Supply Chain Management	Manage and facilitate the provision of efficient and effective financial management and supply chain management services for the Department, as well as to ensure internal controls to drive prudent governance practices in the department. This includes ensuring value for money in the spending of DID and client budgets.
Corporate Support	To manage and monitor the provision of corporate management services, including human resources, transversal support services (strategic planning, performance monitoring and evaluation), communications, information systems, legal services, logistics, and security management.

#### List of the institutional outcomes that each programme contributes

- 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 policy objective of the Broad-Based Black Economic Empowerment Act 2003 is to promote equal access to black economic empowerment and fast track the re-entry of historically marginalised communities. In the implementation of the above, exceptional performance results on preferential procurement spent targets were observed, surpassing performance of the previous reporting cycle. Strides were made to maintain the unqualified audit opinion status in the statutory audit which concluded during the 2023/24 Financial Year. The Department remains committed in managing contingent liabilities which have largely contributed to irregular expenditure.



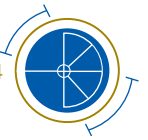
**Table 2.4.4.1: Report against originally-tabled Annual Performance Plan until date of re-tabling**

Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
4.Increased contribution of infrastructure spent to socio-economic development	4.2 Emerging black firms empowered through sub-contracting	4.2.1 Number of emerging black firms empowered through contracting and sub-contracting per annum, of which 40% are women-owned and 30% are youth-owned	127 Women:45 Youth:15	229 Women:38% Youth:19%	100 Women:40% Youth:30%	235	135	A good number of appointments have been made to these firms due to high response in these categories.	The target has been increased in the revised APP due to over-achievement for Quarter 1 and 2.
	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	53	50	0	50	Target was planned for Quarter 4 and was removed during revision in Quarter 3.	There was a delay in panel establishment as the Emerging Contractor Framework was not concluded.



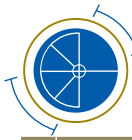
**Table 2.4.4.2: Report against the re-tabled Annual Performance Plan**

Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	
4.Increased contribution of infrastructure spent to socio-economic development	4.1 Procurement spend on target groups	4.1.1 Percentage of procurement allocated to black-owned enterprises	97.36%	94.98%	82%	93.02%	11.02%	Awards and appointments were made proportionately to black-owned companies.	
		4.1.2 Percentage of procurement allocated to black women-owned enterprises	44.30%	42.18%	40%	40.08%	0.08%	Awards and appointments were made proportionately to black women-owned companies.	
		4.1.3 Percentage of procurement allocated to people with disabilities owned enterprises	0.99%	1%	5%	2.13%	-2.87%	A small proportion of procurement allocated to enterprises owned by people with disabilities through Maintenance Panel and on Request for Quotations due to small number of enterprises owned by people with disabilities on Maintenance Panel.	
		4.1.4 Percentage of procurement allocated to youth-owned enterprises	10.13%	19.37%	30%	22.94%	-7.06%	The contract values for the appointments had not been sufficient.	



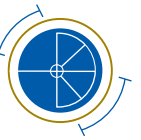
Programme / Sub-programme:		Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
Outcome	Output	Output Indicator					
		4.1.5 Percentage of procurement allocated to MV-owned enterprises	0.52%	2%	0.43%	-1.57%	A small proportion of procurement allocated to enterprises owned by Military Veterans through Maintenance Panel and on Request for Quotations due to small number of enterprises owned by Military Veterans on Maintenance Panel.
		4.1.6 Percentage of procurement allocated to small, medium, and micro enterprises (SMMEs)	44.56%	50%	88.76%	38.76%	A good proportion of firms appointed via Maintenance Panel and on Request for Quotations process were allocated to Small, Medium and Micro Enterprises (SMMEs).
		4.1.7 Percentage of procurement allocated to Township Enterprise Revitalisation (TER)	7.19%	30%	30.91%	0.91%	A high volume of appointments through the maintenance panel were made to township entities.





Programme / Sub-programme:

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
4.2 Emerging black firms empowered through sub-contracting	4.2.1 Number of emerging black firms empowered through contracting and sub-contracting per annum, of which 40% are women-owned and 30% are youth-owned	127 Women:45 Youth:15	229 Women:38% Youth:19%	200 Women:40% Youth:30% Other:30%	269 Women:48.70% Youth:24.54%	69	Target dependent on results of awards.	
		4.3 Expand capacity of the state to resource and support SMMEs	4.3.1 Percentage of DID service providers invoices settled within 30 days	New indicator	85%	100%	100%	0
6.Capable, ethical, and developmental organisation	6.1 Financial management and internal controls	6.1.1 AGSA opinion on the audit of financial statements	Unqualified audit opinion with increased findings	Unqualified audit opinion with increased findings	Unqualified audit opinion with reduced findings	Unqualified audit opinion with reduced findings	No Deviation	Not Applicable
		6.1.2 Percentage reduction in prior year fruitless and wasteful expenditure	No fruitless and wasteful expenditure was incurred in the current year	100% reduction in prior year fruitless and wasteful expenditure	30% reduction on prior year	124% increase	-94%	The increase is due to: Interest incurred on court order settlement fees of R48 million incurred for 2022/23 financial year as compared to R21 million for the previous financial year.



Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
		6.1.3 Percentage reduction in prior year accruals (excluding rates and taxes)	Increase in accrual balance by 62% from R65.5m to R106m	14,8% increase in prior year accruals	40% reduction on prior year	48% reduction	8%	Accruals for 2022/23 financial year amounts to R24 million compared to R66 million for financial year 2021/22.
		6.1.4 Percentage reduction in prior year irregular expenditure	0% reduction in prior year irregular expenditure	70% Decrease in prior year irregular expenditure	30% reduction	53% reduction	23%	The irregular expenditure as at March 2023 is R158 million as compared to the R339 million in March 2022.
		6.1.5 Percentage year-on-year reduction in the number of material findings on audit of predetermined objectives	100% reduction in the number of material findings on performance objectives	100% reduction in the number of material findings on audit of predetermined objectives	30% reduction	30% reduction in the number of material findings on audit of predetermined objectives	0%	Not Applicable
	6.2 ICT Governance	6.2.1 Percentage implementation of the milestones of the approved ICT Strategy	New indicator	75%	100%	100%	0%	Not Applicable

## Sub-programme expenditure

Sub-Programme Name	2023/2024			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
MEC Office	13 726	13 726	-	13 239	11 864	1 375
Corporate Support	511 883	510 397	1 486	454 939	426 762	28 177
Management of the Department	6 211	6 211	-	11 060	9 763	1 297
<b>Total</b>	<b>531 820</b>	<b>530 334</b>	<b>1 486</b>	<b>479 238</b>	<b>448 389</b>	<b>30 849</b>

### **Strategy to overcome areas of under performance**

The underachieved areas under Supply Chain Management are due to limited amounts of transactions. The Department continues to attract companies owned by youth, people with disabilities and military veterans as sub-contractors. The Department aims to appoint firms that are not meeting procurement targets through a maintenance panel, and other quotation processes. The vendor database is continuously updated through SCM. The weekly performance meetings serve as a mechanism to address areas of underperformance, and more emphasis is put in this area while also addressing implementation of audit action plans through the audit readiness measures. The Department also ensures and promotes sub-contracting of these groups by the main contractor more especially in township businesses. The Department will strengthen financial oversight and monitoring mechanisms; improve planning and forecasting and prioritise resource allocation based on the strategic objectives and priorities of the department.

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

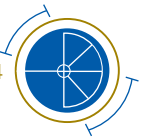
During the 2023/24 financial year, there were no standardised outputs and output indicators that the department was reporting on.

## 4.2 Programme 2: Public Works Infrastructure

The purpose of the Public Works Programme is to provide the core services that are mandated to the Department. This includes the 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, policies, 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 Gauteng 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 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"> <li>• Acquiring and disposal of properties;</li> <li>• Lease administration;</li> <li>• Revenue generation;</li> <li>• Management of the asset registers;</li> <li>• Monitor the utilisation of Provincial Government facilities; and</li> <li>• Management of payment of all utilities.</li> </ul>
Infrastructure Research, Planning 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.

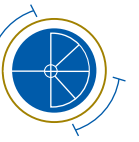
- **Outcome 1:** Optimised public-owned fixed property portfolio
- **Outcome 2:** Efficient and effective delivery of smart public infrastructure
- **Outcome 3:** Functional, reliable, and compliant infrastructure
- **Outcome 6:** Capable, ethical, and developmental organisation



### ***Outcomes, Outputs, Output Indicators, Targets and Actual Achievements***

Vested with the responsibility to champion socio-economic infrastructure delivery investment and management in GPG, the Department delivered on its CAPEX and Maintenance targets. Deliverables attained include the designs project for 25 facilities, completion of also about 25 capital projects, including the construction of the new Bramfischerville Primary School, construction of Kekanastad New Clinic, and sectional completion of Bantu Bonke Early Childhood Development Centre. Moreover, upgrades were done at Laerskool Frikkie Meyer School, LG Holele, Germiston High, Ribane Laka Secondary and Mayibuye Primary School which entailed the construction sewer line, access road, pedestrian sidewalk and changing the waterline. Upgrades were also completed at Dr Fabian & Florence Ribeiro Treatment Centre.

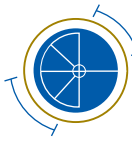
Through the above outcomes on property optimisation and the efficient and effective public infrastructure delivery, the Department contributes positively to social and economic development. This is crucial as the achievement of targets can be viewed through the lens of delivering social and economic 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-art infrastructure projects and appropriately managing the asset register. The Department derives its mandate from the Government Immovable Assets Management Act 2007, which aims at providing for a uniform immovable assets framework thus promoting accountability and transparency. Therefore, the organisation has verified 6 585 assets in the immovable assets register. Notwithstanding the above, there were notable achievements in the release of 20 properties. Roodekrans and Highveld 14 were some of the released for socio-economic infrastructure development and GDARD Tshwane and DCS-PIOCC to user department for office accommodation, among others. An amount of approximately R22.4 million was collected for revenue generation, while about R962 million was paid in rates and taxes.



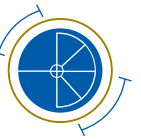
**Table 2.4.4.3: Report against originally tabled Annual Performance Plan until date of re-tabling**

Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	* Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
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)	R16.8m	R35.7m	R32m	R10.2m	-R21.8m	<ul style="list-style-type: none"> <li>Resistance from tenants to pay their monthly rent due.</li> <li>Delay in disposal of non-core assets.</li> <li>Expired leases</li> </ul>	The revenue collected is highly dependent on properties disposed and leased. Due to fewer properties disposed of this financial year, the collection of revenue is inversely affected. The target has been reduced to R24 million.
	1.2 Non-core properties (residential) disposed	1.2.1 Number of properties sold	10	New indicator	50	5	-45	<ul style="list-style-type: none"> <li>Disposal mandate is limited to residential houses. Land parcels confirmed as surplus requires approval by EXCO.</li> <li>Occupants of some houses approved for disposal do not qualify for Right of First Refusal due to non-payment of and or not having valid lease. The target has reduced by 20.</li> </ul>	<ul style="list-style-type: none"> <li>Delay in obtaining EXCO approval to enable disposal of other types of none core properties affected the number of properties that could be disposed. 99% of the properties are illegally occupied which makes it difficult to attract buyers.</li> <li>Houses confirmed for disposal are occupied by occupant who do not have valid lease agreement and not paying rental and therefore, does not qualify for Right of First Refusal.</li> </ul>

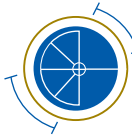




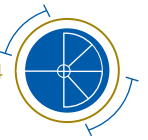
Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	* Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
		1.2.2 Number of properties transferred to third parties	New indicator	13	50	2	-48	Non-achievement due to: <ul style="list-style-type: none"> <li>Challenges such as, restrictions of title deeds on sold properties.</li> <li>Buyers not being able to pay the full purchase price and requesting to settle through equal instalments</li> </ul>	
	1.5 Compliant Immovable Asset Register produced	1.5.2 Number of Immovable Assets transferred from the Immovable Asset Register (IAR)	New Indicator	0	1 700	0	-1 700	Delays by DRT to accept the transfers timeously	The target has been reduced to 711 due to delay of assets acceptance by other departments.
2. Efficient and effective delivery of smart public infrastructure	2.1 Design of infrastructure projects	<b>2.1.1 Number of infrastructure designs ready for tender (IDMS Gate 4)</b>	<b>4</b>	<b>11</b>	<b>*9</b>	<b>4</b>	<b>-5</b>	Refer to details below	Refer to details below
		Education	-	11	9	4	-5	Mdelwa Hlongwane Primary School-Site Development Plan awaiting final approval from municipality.	The are two more added projects, namely East Rand School of Arts (creative and performing arts) LSEN and Mdelwa Hlongwane Primary School.
*Disclosure note: The difference in total targets for the year arises as some targets required no revision in the Annual Performance Plan.									



Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
	2.2 Construction of infrastructure	<b>2.2.1* Number of new (Education, Health, and STARS) construction projects completed</b> Education	5	8	*7	0	-7	Refer to details below	Refer to details below
			2	-	6	-	-6	Projects were originally planned for Quarter 4	The following projects will only be completed in 2024/2025 financial year: 1. Rus-Ter-Vaal Secondary School: Project deferred to 2024/25 due to delays in planning and procurement of completion contractors. 2. Nancefield Primary School: Project removed due to delays in planning and procurement of completion contractors. 3. Semphato Combined School: Project deferred to 2024/25 due to projects behind schedule. The contractor has been terminated and a new contractor will be appointed to complete outstanding.



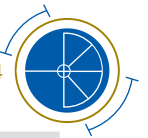
Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	* Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
									4. Simunye Primary School: Project removed due to project behind schedule. There is a possibility of termination due to non-performance of the contractor. 5. Julius Sebolai Primary School: Project removed due to delays in planning and procurement of completion contractors.
		Health	3	8	1	-	-1	Johannesburg FPS was planned in Q1. Termination of contract due to poor performance by PSP	Randfontein CHC has been added to be completed in the current financial year.
*Disclosure note: The difference in total targets for the year arises as some targets required no revision in the Annual Performance Plan.									
		<b>2.2* Number of facilities rehabilitated, renovated and refurbished</b>	<b>6</b>	<b>6</b>	<b>*27</b>	<b>2</b>	<b>-25</b>		Refer to details below
		Education	5	5	21	2	-19	Seotloana and Mulbarton Primary school were pre-achieved	Nine projects have been replaced. The annual target remains the same.
		Health	-	-	2	-	-2	Delays in completion of Helen Joseph nurses residence project. The revised APP contains new timeframe for completion of the project.	Two projects have been added by the branch, namely Helen Joseph nurses' residence and Chris Hani Baragwanath emergency ward.



Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	*Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
		STARS	1	1	4	-	-4	Targets were originally set to be achieved in Quarter 3 and 4	75 Fox cladding has been replaced by Bloed Street Wellness Centre
		*Disclosure note: The difference in total targets for the year arises as some targets required no revision in the Annual Performance Plan.							
		<b>2.2.3 Number of upgrades and additions completed on GPG facilities</b>	-		<b>6</b>	<b>2</b>	<b>-4</b>		
		Education	-	New indicator	6	2	-4	Remainder of targets were planned for Quarter 3 and 4	<ul style="list-style-type: none"> <li>Ebomini Primary School was completed last financial year.</li> <li>Mogobeng Primary School was removed due to delays in the planning and procurement processes and have been replaced by Mayibuye Primary school (external works).</li> </ul>
3. Functional, reliable, and compliant infrastructure	3.2 Electro-Mechs commissioned at health facilities	3.2.1 Number of Electro Mechs commissioned at health facilities	-	New indicator	10	-	-10	Targets were set to be achieved in Quarter 3 and 4	<ul style="list-style-type: none"> <li>Six electro-mechs projects have been replaced and the target remains unchanged.</li> </ul>

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

Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	** Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	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)	R16.8m	R35.7m	R24m	R22,4m	-R1.6m	Poor payment of rental by tenants	
		1.1.2 Rand value of municipal rates and taxes paid	R1 025b	R 1 033b	R1 229b	R962m	-R267m	Reprioritisation of budget due to budget constraints by the department resulted in a portion of budget allocated for rates & taxes being moved and re-allocated to goods & services.	
	1.2 Non-core properties (residential) disposed	1.2.1 Number of properties sold	10	New indicator	30	5	-25	<ul style="list-style-type: none"> <li>Delay in obtaining EXCO approval to enable disposal of other types of none core properties affected the number of properties that could be disposed.</li> <li>99% of the properties are illegally occupied which makes it difficult to attract buyers.</li> <li>Houses confirmed for disposal are occupied by occupant who do not have valid lease agreement and not paying rental and therefore do not qualify for Right of First Refusal.</li> </ul>	

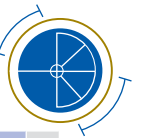


Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	
		1.2.2 Number of properties transferred to third parties	New indicator	13	20	12	-8	The remaining eight (8) properties could not be transferred to third parties due to: Seven (7) properties had to undergo an eviction process and as a result delayed the transfer. The remaining one (1) property could not be transferred because of the delays at the transferring attorneys (Conveyancers) stage.	
	1.3 Land and Buildings released for development or commercialisation	1.3.1 Number of properties released for socio-economic infrastructure development	6	6	3	20	17	Over-achievement due to: • The Department's approval of the Property Optimisation Strategy (POS) and the rapid land release have also allowed the department to embark in a process of approaching departments to surrender vacant properties for either short- or long-term alternative use.	
	1.4 Provision of office accommodation to user departments	1.4.1 No. of facilities provided to user department	New indicator	11	6	7	1	The lease for 1 C Luipaard was not in the annual plan and was procured through a quotation process.	



Programme / Sub-programme:

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
		1.4.2 Number of utilisation inspections conducted (concluded) for office accommodation	4	4	4	4	-	Not Applicable
	1.5 Compliant Immovable Asset Register produced	1.5.1 Number of immovable assets verified in the Immovable Asset Register (IAR)	8 296	8 336	6 579	6 585	6	The overachievement of 6 assets was a result of vesting category movement. These are the assets that were newly added to the IAR.
		1.5.2 Number of immovable assets transferred in the Immovable Asset Register (IAR)	New Indicator	-	711	184	-527	The reasons for deviation are due to delays by secondary custodians in accepting the assets transferred to them through Section 42 transfers. Through a letter dated 26 February 2024, DRT accepted Q1 (85 out of 122) indicating the effective date of the transfer to be the 1 April 2024. There were no reasons provided by DRT on why they do not accept these assets by 31 March 2024, which is the year under review.



Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	
2. Efficient and effective delivery of smart public infrastructure	2.1 Design of infrastructure projects	<b>2.1.1 Number of infrastructure designs ready for tender (IDMS Gate 4)</b>	4	11	22	25	3	The above then led to DID rejecting the acceptance of effective 1 April 2024. The reasons for rejection by DID are captured appropriately.	
			-	11	11	11	-	The transfer of 323 assets was rejected by DHS. Both DHS and DID are meeting to resolve the rejection. The reasons for rejection by DHS are captured appropriately.	
		Education	-	11	11	11	-	Details below	
		Health	2	-	3	3	-	Not Applicable	
		STARS	2	-	8	11	3	Not Applicable	
								Over-achievement due to replacements of some projects which were withdrawn by the client but were later returned to DID for delivery.	
								<b>Mullerstuine Community</b> Library not completed due to non-performance of service provider.	
	2.2 Construction of infrastructure projects	<b>2.2.1*Number of new (Education, Health, and STARS) construction projects completed</b>	6	8	6	2	-4	Details below	
		Education	2	-	1	1	-	No Deviation	





Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
		Health	3	8	2	-	-2	<p>Non-completion due to:</p> <p><b>Johannesburg Forensic Pathology Laboratory:</b>                      The contractor couldn't proceed with some of the activities on site due to the mechanical and fire compliance report issued by the new mechanical engineer which declared the mechanical works in some of the areas defective and noncompliant with the norms and standards. Secondly there was a delay on the payment of the contractor from Quarters 3 and 4 of the last financial year by Department of Health. Thirdly, there are missing designs from the previous professional team and the new professional team submitted the proposal of fees for the redesign.</p>



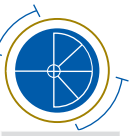
Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	
		STARS	1	-	3	1	-2	Randfontein CHC: Contractor's cash flow problems. The delays on payments of the contractor and the PSPs by GDoH resulted in PSPs providing limited services on site they are currently still not available for site inspections and contractors evaluations. The contractor at some point suspended services as well due to delays on payment. It would have been risky for the contractor to continue with the works without supervision.	
								Bekkersdal: Not completed due delays in the release of funds by client department.	
								Dr Fabian & Florence Ribeiro Treatment Centre upgrading, Phase 1A, was completed but reported in the relevant indicator.	
								See disclosure note below	
*Disclosure Note: The project of Rehabilitation of Institution ( Dr Fabian & Florence Ribeiro Treatment Centre upgrading, Phase 1A) is not described as a new facility, therefore was moved and reported on the indicator "Number of facilities Rehabilitated, Renovated and Refurbished".									
		<b>2.2.2*Number of facilities rehabilitated, renovated and refurbished</b>	<b>6</b>	<b>6</b>	<b>27</b>	<b>17</b>	<b>-10</b>	Details below	





Programme / Sub-programme:

Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
		Education	5	5	21	13	-8	<p>The following projects were not completed due to late appointment of contractors.</p> <ul style="list-style-type: none"> <li>• Sundown High School</li> <li>• Laerskool Parksig</li> <li>• Goudweskool</li> <li>• Laerskool Handhawer</li> <li>• Tshirela Primary School</li> <li>• Kokosi Primary School</li> <li>• Laerskool Noordhoek</li> </ul> <p>The following project was not completed due to delays in approval of tender documents at Bafikile Primary School.</p>
		Health	-	-	2	-	-2	<p>Projects were not completed due to:</p> <ul style="list-style-type: none"> <li>• <b>Helen Joseph:</b> Delay in implementation of court orders which led to the contractor enforcing his contractor's lien over the site.</li> <li>• <b>Chris Hani Baragwanath Hospital:</b> Contractor's cash flow problems and the delays on the contractors' invoices by GDoH delayed the payments and the delivery of the LV panels, completion of the outstanding scope.</li> </ul>
		STARS	1	1	4	4	-	Not Applicable



Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	**Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	
		<b>2.2.3 Number of upgrades and additions completed on GPG facilities</b>	-		<b>5</b>	<b>5</b>	-	Details below	
		Education	-	New indicator	5	5	-	Not Applicable	
3. Functional, reliable, and compliant infrastructure	3.1 Comprehensive maintenance programme	<b>3.1.1 Number of condition assessments conducted on state-owned properties</b>	<b>4</b>	<b>30</b>	<b>74</b>	<b>86</b>	<b>12</b>	Details below	
		STARS	-	22	66	78	12	Schools with more buildings were identified.	
			Health (Health Facilities)	4	8	8	8	Not Applicable	
	3.1.2 Number of planned maintenance projects awarded	Health	<b>106</b>	<b>140</b>	<b>138</b>	<b>139</b>	-	No Deviation	
		STARS	60	90	90	90	-	Not Applicable	
			STARS	46	50	48	49	1	Over-achievement on awards was due to budget confirmation from G-Fleet.
	3.1.3 Number of planned maintenance projects completed	Health	<b>70</b>	<b>133</b>	<b>127</b>	<b>129</b>	<b>2</b>	Details below	
		STARS	40	80	80	80	-	Not Applicable	
			STARS	30	53	47	49	2	Over-achievement on completion was due to budget confirmation from G-Fleet.
	3.2 Electro Mechs commissioned at health facilities	3.2.1 Number of Electro Mechs commissioned at health facilities		-	New indicator	10	10	-	Not Applicable

## Sub-programme expenditure

Sub-Programme Name	2023/2024			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
Construction	612 972	600 907	12 065	227 965	227 576	389
Maintenance	741 111	743 692	(2 581)	700 036	692 190	7 846
Immovable Asset Management	1 614 961	1 608 963	5 998	1 798 376	1 750 796	47 580
<b>Total</b>	<b>2 969 044</b>	<b>2 953 562</b>	<b>15 482</b>	<b>2 726 377</b>	<b>2 670 562</b>	<b>55 815</b>

## Strategy to overcome areas of underperformance

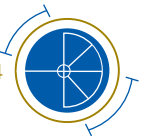
The Department is enforcing the payment of rentals by sending letters of demand to non-compliant tenants. The introduction and implementation of the Property Optimisations Strategy has allowed the Department to deal with issues related to unused properties. One of the strategies devised by the Department is to ensure that all land related issues are resolved before projects reach tender stage. The illegal occupation of government properties is dealt with through legal processes, which include eviction notices. The Department continues to engage with client departments regarding timely transfer of funds for infrastructure projects. The submission request to allocate funds for maintenance is underway. The Centralised Provincial Contractor Performance System will assist in managing the performance of contractors, and through this system, vetting of contractors will be done and blacklisting of poor-performing contractors will be undertaken. Conduct regular performance reviews to assess progress towards budgetary targets and identify areas for improvement. Use performance data and key performance indicators to track performance trends over time and inform decision-making. Prioritise resource allocation based on the strategic objectives and priorities of the organisation.

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

During the 2023/24 financial year, there were no standardised outputs and output indicators that the department was reporting on.

## 4.3 Programme 3: Expanded Public Works Programme

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 is still the responsibility of each reporting body. Outcome 5, Poverty relief and improved employability of programme beneficiaries relates to Programme 3.



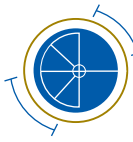
The Expanded Public Works Programme covers the work of the following sub-programmes:

Sub-programme	Purpose
Programme Support CBD	Overall management and support of the branch including provision of back office technical administration, provision of built sector knowledge management services, finance, built sector supply chain management and management of stores, telecommunications, as well as serving as the coordinating division of the branch.
Community Development	Programmes to bring about the development and empowerment of impoverished communities.

### ***Outcomes, Outputs, Output Indicators, Targets and Actual Achievements***

EPWP is a broader government strategy aimed at alleviating poverty through reduction of unemployment. It provides temporary work to economically marginalised citizens and targets unskilled and semi-skilled individuals. The programme also targets the youth, women, and people with disabilities. The Department has created work opportunities during the year under review, which led to the contribution of the five-year target for both municipalities and departments for the sixth administration. With the EPWP phase IV closing by end of 2023/24 financial year, the National Department of Public Works and Infrastructure has launched phase V which will take effect from the beginning of the 2024/25 financial year. The aim of the EPWP Phase V is to create work opportunities for the seventh administration.





**Table 2.4.4.5: Report against originally tabled Annual Performance Plan until date of re-tabling**

Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	* Actual Achievement 2023/2024 until date of re-tabling	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
4. Increased contribution of infrastructure spend to socio-economic development	4.5 Jobs created in the construction sector by public sector departments	4.5.1 Number of direct jobs created in the construction sector by public sector departments	-	New indicator	412	-	-412	Non-achievement due to insufficient evidence presented for validation.	The indicators are monitored through Operational Plans in efforts to enhance reporting.
		4.5.2 Number of indirect jobs created in the construction sector by public sector departments	-	New indicator	5 635	-	-5 635	Target was planned for Quarter 4 however the indicator was removed in Quarter 3 during revision of the APP.	

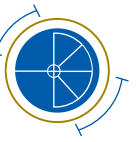
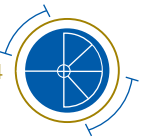


Table 2.4.4.6: Report against the re-tabled Annual Performance Plan

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	** Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations
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 work opportunities created by Provincial Public Works through the National Youth Service Programme	2 630	2 397	2 500	2 557	57	Numbers supplemented to mitigate against attrition and abscondment
		<b>Disclosure Note:</b> The output on number of work opportunities created in the Province through NYS has been adjusted from 2 552 to 2 557.						
		5.1.2 Number of Public Bodies reporting on EPWP targets in the province coordinated (the value of the indicator to the province)	-	22	22	22	-	Not Applicable
		5.1.3 Number of beneficiaries participating in the Health Maintenance Programme	-	New indicator	1 020	1 048	28	Numbers supplemented to mitigate against attrition and abscondment
		<b>Disclosure Note:</b> The output for number of beneficiaries participating in the Health Maintenance Programme has been adjusted from 1 045 to 1 048.						



Programme / Sub-programme:									
Outcome	Output	Output Indicator	Audited Actual Performance 2021/2022	Audited Actual Performance 2022/2023	Planned Annual Target 2023/2024	** Actual Achievement 2023/2024	Deviation from planned target to Actual Achievement 2023/2024	Reasons for deviations	
		5.1.4 Number of beneficiaries participating in the vacant sites & facilities EPWP Maintenance Programme	-	New indicator	1 095	1 108	13	Numbers supplemented to mitigate against attrition and abscondment	
		<b>Disclosure Note:</b> The output for number of beneficiaries participating in the vacant sites & facilities EPWP Maintenance Programme has been adjusted from 1 109 to 1 108.							
	5.2 Skills development of EPWP beneficiaries	5.2.1 Number of EPWP participants successfully completed skills development programmes	1 950	1 907	2 500	2 501	1	The reason for the over-achievement was an effort to mitigate against attrition which has negatively affected the department in the past.	



### Sub-programme expenditure

Sub-Programme Name	2023/2024			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
Programme Support	43 502	43 497	5	29 445	29 103	342
Community Development	228 919	228 924	(5)	120 175	94 427	25 748
<b>Total</b>	<b>272 421</b>	<b>272 421</b>	<b>-</b>	<b>149 620</b>	<b>123 530</b>	<b>26 090</b>

#### **Strategy to overcome areas of underperformance**

It is important to note that EPWP has achieved all planned indicators and that there was no area of underperformance recorded in the reporting period. As measures to record achievements, the Department conducts internal validation sessions with EPWP to ensure that all reported numbers of beneficiaries are accurate and reliable. The approach of validation serves as a form of pre-audit sessions to prepare for the actual audit with GAS and AGSA. The Department continuously engages with sectors on a quarterly basis to improve reporting. Strengthen financial oversight and monitoring mechanisms to ensure better control and accountability over expenditure. Implement regular budget reviews, performance assessments, and internal audits to identify any deviations from planned expenditure and take corrective actions promptly.

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

During the 2023/24 financial year, there were no standardised outputs and output indicators that the department was reporting on.



## 5. TRANSFER PAYMENTS

There were no transfer payments made.

## 6. CONDITIONAL GRANTS

### 6.1. Conditional grants and earmarked funds paid

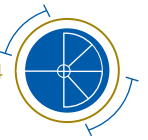
There were no conditional grants and earmarked funds paid by the Department during the year under review.

### 6.2. Conditional grants and earmarked funds received

The table below details the conditional grants and earmarked funds received during for the period 1 April 2023 to 31 March 2024.

#### Conditional Grant: EPWP

Department who transferred the grant	National Department of Public Works and Infrastructure
Purpose of the grant	Incentive grant for Job Creation
Expected outputs of the grant	To alleviate unemployment and to create more work opportunities for 2 500 participants
Actual outputs achieved	2 557
Amount per amended DORA	R9 031 000
Amount received (R'000)	R9 031
Reasons if amount as per DORA was not received	Not Applicable
Amount spent by the department (R'000)	R9 031
Reasons for the funds unspent by the entity	Not Applicable
Reasons for deviations on performance	Not Applicable
Measures taken to improve performance	Not Applicable
Monitoring mechanism by the receiving department	Coordinators for the EPWP have been placed at various corridors and corridors to oversee the monitoring process. Quarterly evaluation reports, IYM submissions, and attendance registers have to be handed in on a monthly basis as evidence of attendance.



## 7. DONOR FUNDS

The Department received no donor funds during the year under review.

## 8. CAPITAL INVESTMENT

### 8.1. Capital investment, maintenance and asset management plan

Infrastructure projects	2023/2024			2022/2023		
	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	475 014	462 951	12 063	97 212	95 669	1 543
Upgrades and additions	329 000	322 711	6 289	-	-	-
Rehabilitation, renovations, and refurbishments	69 784	36 610	33 174	14 260	13 887	373
Maintenance and repairs	76 230	103 630	(27 400)	82 952	81 782	1 170
Infrastructure transfer						
Current	76 230	103 630	(27 400)	82 952	81 782	1 170
Capital	398 784	359 321	39 463	14 260	13 887	373
<b>Total</b>	<b>475 014</b>	<b>462 951</b>	<b>12 063</b>	<b>97 212</b>	<b>95 669</b>	<b>1 543</b>





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GOVERNANCE

## 1. INTRODUCTION

The Department intends to adhere to the highest governance standards, which are essential for managing public funds and resources. The Department uses well-established governance systems to make economical, effective, and efficient use of tax-funded state resources.

## 2. RISK MANAGEMENT

An authorised enterprise risk management policy and framework are in place at the department. All functional units undertook Strategic Risk Assessments and Control Risk Self-Assessments (also known as Operational Risk Assessments) throughout the reviewed year. Management and oversight bodies are informed internally about the status of the suggested mitigation actions' execution. The Risk Management Operational Committee is led by an External and Independent Chairperson and functions to promote good governance.

The Committee operates under an approved terms of reference and has convened during each of the four quarters. The Committee advises the Head of Department (HOD) on the efficacy of Risk Management within the department and oversees Governance Assurance. The Audit Committee discusses the department's quarterly reports during its quarterly meeting. One of the reports that is brought before the Audit Committee for consideration, discussion, and reporting on the efficacy and execution of risk management within the Department is the Risk Management Report. The AGSA and the Risk Management War Room oversee the execution of Risk Management Action Plans (Mitigating Actions). The Department performs better when action plans are implemented, and when more intervention is needed, it is developed and put into action. Action plans for risk mitigation are routinely monitored for implementation, and management and oversight bodies are informed of the results.

## 3. FRAUD AND CORRUPTION

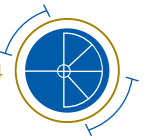
The Department's approved Fraud Prevention Plan includes the Fraud Risk Register. Fraud Risk Action Plans are implemented, and their progress is tracked and reported to oversight committees. There are systems in place to report instances of fraud and corruption, as well as their workings. Through channels like the Premier's Hotline, the National Anti-Corruption Hotline (NACH), and others, authorities are urged to divulge sensitive information regarding suspected or confirmed cases of fraud and corruption. Investigations are conducted into reported occurrences of suspected and/or confirmed fraud and corruption, and if necessary, consequence management is implemented.

## 4. MINIMISING CONFLICT OF INTEREST

Financial Disclosure on the e-Disclosure system, which is overseen by the DPSA, is used to manage perceived and/or actual conflicts of interest. In addition, and where appropriate, officials sign a statement indicating their interests in the Bid Specification, Bid Evaluation, and Bid Adjudication Committees of SCM. In the Department, there is also a gift registry. Officials are given the chance to explain why they did not declare any conflicts of interest when one is found, even though none were found in the department during the year under review. Based on the explanations given, the Directorate: Labour Relations would begin with a consequence management process. Sanctions are imposed if an official is found to have transgressed.

## 5. CODE OF CONDUCT

Supply Chain Management personnel are required to sign agreements committing to compliance with the public service Code of Conduct. Additionally, a Declaration of Secrecy must be signed by officials. The code includes confidentiality, fighting corruption and fraud, and an oath to carry out tasks with integrity.



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

The code was presented in the Senior Management meeting and in the future workshops are planned to further embed the undertaking and applicability of the code across the organisation. It is the duty of the employer to make every effort to ensure that all employees are familiar with the code and its provisions. The National Development Plan's vision for a professional Public Service is key to the Code of Conduct's overarching goal of encouraging good behaviour. 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. The code's principal goal is to encourage outstanding behaviour. 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. All preventative, restorative, and disciplinary measures must be instituted against a breach of the code by any official required to be adhere and comply with it.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Occupational Health and Safety (OHS) is a requirement in the workplace that is legislated and governed by the Occupational Health and Safety Act (Act 85 of 1993) of South Africa. Thus, OHS is a crucial function in advancing the mandate of the DID and in achieving the department's 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 of the citizens of Gauteng. All this would not be possible without the practice of taking care of the occupational health and safety of employees by creating and maintaining a sustainable working environment that is healthy, safe and without harm to employees and stakeholders, both mentally and physically with a strong focus on primary prevention of hazards and prevention accidents and mitigation of harmful risks. In a bid to ensure compliance to the Occupational Health and Safety Act (Act 85 of 1993) the following progress has been made in the implementation of sound OHS practices within DID.

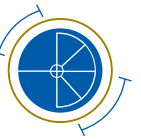
OHS governance structures and statutory appointments: The Department has appointed six OHS officers on a 12-month contractual basis, to establish and implement a proactive approach to workplace health and safety. The Department ensures the compliance with the requirements of the OHS Act (Act 85 of 1993) and all aspects related to the construction regulations. Approximately 401 OHS representatives were trained with a view to ensure that health and safety governance structures are functional and effective and that safety teams are able to discharge their duties in a competent manner as mandated by the Act in the following areas, safety, health and environment (SHE) representation, first aid, firefighting, and evacuation marshalling.

Additionally, more than 200 OHS committee members have been appointed and thirteen (13) OHS committees were set up to ensure compliance in various DID regional facilities. Committee meetings were held on a quarterly basis. Additionally, the Head of Department (HOD) signed appointment letters to delegate her OHS duties as the Accounting Officer in terms of Section 16.1 of the OHS Act (Act 85 of 1993) to the senior executive members to fulfil the duties stipulated in section 16.2 of Act and also serve in the executive OHS committee once it is established. This is also a way of ensuring that OHS within DID is elevated to the strategic level and supports the fulfilment of the objectives of the department.





- **Emergency evacuation drills:** Ten emergency evacuation drills were conducted in all regional offices to raise awareness of fire hazards and familiarise employees with evacuation procedures and prepare them to respond swiftly in a case of emergency.
- **Compulsory OHS inductions:** 80 percent of the staff were inducted on OHS covering the importance of personal protective equipment (PPE), workplace hygiene, safe use of electrical and hand tools, potential hazards identified in the department, as well as measures to mitigate the risks emanating from the hazards. The main purpose of the OHS induction was to train and give information to employees on the identified hazards and how to eliminate them. The induction was also aimed to encourage employees to work safe and ensure that they perform their daily duties safely to reduce incidents and injuries.
- **Baselines Risk Assessment:** For the period under review, the Department conducted baseline risk assessment to identify all potential hazards that the employees may be exposed to in their line of work. The risk assessment identified hazards in areas such as workshops, boiler houses, laundries, mortuaries, administration, and all potential technical hazards. As part of the implementation of recommendations, DID conducted a series of workshops in various sites to educate on the inherent hazards and risks identified through the baseline risk assessment. This is to ensure that employees are informed and conversant with the risks they are exposed to daily and how to eliminate, minimise or mitigate them as required by Section 13 of OHS Act (Act 85 of 1993).
- **Implementation of GAS and GAP audit findings (Gauteng Audit Standards):** In the previous financial year, DID was audited on the by GAS and GAP audit was also conducted by an external service provider on the implementation of OHS systems and practices. Recommendations were also made on areas of non-conformances. The main aim of these audits was to help the department to meet minimum compliance requirements and to ensure that the workplace is safe and healthy as mandated by the OHS Act 85 of 1993 and its Regulations. In the year under review, action plans were developed with a view to implementing audit recommendations and the gaps identified in the department OHS systems.

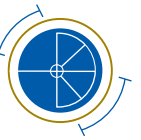


## 7. PORTFOLIO COMMITTEES

For the 2023/24 financial year, the Department attended the meetings that are 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 Departmental delegations that attended the meetings were led by the MEC, who was accompanied by the Head of Department and other Executive Managers of the Department. The dates of the meetings are outlined below:

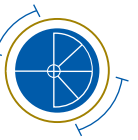
DATES OF MEETINGS	PORTFOLIO COMMITTEE	AGENDA ITEMS	DID'S RESPONSE TO AGENDA ITEMS
21 April 2023	Infrastructure Development and Property Management Portfolio Committee	Presentation of the Expropriation Bill [B23-B-2020]	The Department did a presentation on Expropriation Bill [B23-B-2020].
26 April 2023	Infrastructure Development and Property Management Portfolio Committee	Presentation of the Expropriation Bill [B23-B-2020] (Public Hearing on the Expropriation Bill [B23-B-2020])	The Department did a presentation on Expropriation Bill [B23-B-2020] (Public Hearing on the Expropriation Bill [B23-B-2020])
5 May 2023	Health Portfolio Committee	Anglo Ashanti Hospital upgrade with ICU beds. a) Progress report on the suspension of employees associated with this project. b) Submission of the minutes emanating from COVID command council. The decision to spend more than R500m on the hospital, was taken at this meeting, the department to kindly provide these minutes. c) SIU report released in December on ashanti I, have to be submitted.	The Department presented on the items listed agenda items and responded to the questions posed by the Portfolio Committee.
9 May 2023	Infrastructure Development and Property Management Portfolio Committee	<ul style="list-style-type: none"> <li>• Victor Tucker, Rusticana AH, Vanderbijlpark</li> <li>• 122 Carbon Rd, Steel park, Vereeniging, 1939</li> <li>• 9 Roosevelt Ave, Duncanville, Vereeniging, 1939</li> <li>• Zikode ka Ntsele, 86 Van Eeden St, Risiville, Meyerton, 1929</li> <li>• 35 Klarer St, Risiville, Meyerton, 1929</li> <li>• 85 McFarlane St, Risiville, Meyerton, 1929</li> </ul>	The Department presented a detailed presentation on the properties around the Sedibeng Area and responded to the questions posed by the Portfolio Committee.
10 May 2023	Infrastructure Portfolio Committee and Property Management	DID portfolio committee public hearing on the appropriation bill in Sedibeng	The Department did a presentation on Expropriation Bill [B23-B-2020] (Public Hearing on the Expropriation Bill [B23-B-2020]).

DATES OF MEETINGS	PORTFOLIO COMMITTEE	AGENDA ITEMS	DID'S RESPONSE TO AGENDA ITEMS
11 May 2023	Infrastructure Portfolio Committee and Property Management	Oversight visits to illegally occupied properties	The Department conducted oversight visits on four (4) properties in the Alberton Area in Olive, Beril and Amfibool Streets, Springs Duiker Street.
15 May 2023	Infrastructure Portfolio Committee and Property Management	DID portfolio committee public hearing on the appropriation bill in Ekurhuleni	The Department did a presentation on Expropriation Bill [B23-B-2020] (Public Hearing on the Expropriation Bill [B23-B-2020]).
18 May 2023	Infrastructure Portfolio Committee and Property Management	Budget Vote report of the 2023/24 FY, 4th Quarter performance report of the 2022/23 FY and Maintenance strategy	The Department presented on the items listed agenda items and responded to the questions posed by the Portfolio Committee.
1 June 2023	Infrastructure Portfolio Committee and Property Management	DID portfolio committee public hearing on the appropriation bill in Tshwane	The Department did a presentation on Expropriation Bill [B23-B-2020] (Public Hearing on the Expropriation Bill [B23-B-2020]).
5 June 2023	Infrastructure Portfolio Committee and Property Management	DID portfolio committee public hearing on the appropriation bill in Westrand	The Department did a presentation on Expropriation Bill [B23-B-2020] (Public Hearing on the Expropriation Bill [B23-B-2020]).
9 June 2023	Infrastructure Portfolio Committee and Property Management Session with Traditional Leaders in Gold Reef City	Presentation by the NCOP Legal Officer Presentation by the National Department of Public Works & Infrastructure	The Department did a presentation on Expropriation Bill [B23-B-2020] (Public Hearing on the Expropriation Bill [B23-B-2020]) and open discussion after the presentation.
10 August 2023	Infrastructure Development & Property Management Portfolio Committee Meeting Virtual meeting	Progress of the Perm Building Project (Commissioner Street), budget spent and the payment of service providers. State properties occupied illegally at Boksburg Update on the payment of the Suikerbosrand project Contractors	The Department presented on the items listed agenda items and responded to the questions posed by the Portfolio Committee.
11 August 2024	Infrastructure Portfolio Committee and Property Management Session with Traditional Leaders in Tshwane	Public Hearing with the Traditional leaders (Royal House) on the Expropriation Bill -B23B-2020. The Department might be required to take Members through the Bill.	The Department did a presentation on Expropriation Bill [B23-B-2020] (Public Hearing on the Expropriation Bill [B23-B-2020]) and open discussion after the presentation.



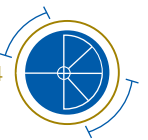
DATES OF MEETINGS	PORTFOLIO COMMITTEE	AGENDA ITEMS	DID'S RESPONSE TO AGENDA ITEMS
07 September 2023	Infrastructure Development & Property Management Portfolio Committee Oversight & Meeting	<p>Presentations on the Suikerbosrand Nature Reserve Waterline Project</p> <ul style="list-style-type: none"> <li>Contractors</li> <li>Department of Infrastructure Development &amp; Property Management</li> </ul>	The Department presented on the items listed agenda items and responded to the questions posed by the Portfolio Committee.
27 October 2023	Infrastructure Development & Property Management Portfolio Committee Oversight visits & meeting in Westrand	<p>Oversight visits to the following projects:</p> <ul style="list-style-type: none"> <li>Panorama Primary School</li> <li>Simunye Secondary School, (Bekkersdal)</li> <li>Randfontein Secondary School</li> <li>Hillcrest Primary School</li> <li>Embonini Primary school</li> </ul> <p>After oversight visits on projects, roundtable discussion meeting convened.</p>	The purpose of the session was to engage the DID and GDE on the updates of the projects visited, IPM's presented and responded to the questioned posed.
7 November 2023	Infrastructure Development & Property Management Portfolio Committee Oversight visits & Meeting in Ekurhuleni	<p>Oversight visits to the following projects:</p> <ul style="list-style-type: none"> <li>Mayibuye Primary School</li> <li>Birch Acres school project</li> <li>Barcelona Primary School in Etwatwa, Benoni</li> <li>Nokuthula School LSEN</li> <li>Lakeside Primary School</li> </ul> <p>After oversight visits on projects, roundtable discussion meeting convened.</p>	The purpose of the session was to engage the DID and GDE on the updates of the projects visited, IPM's presented and responded to the questioned posed.
7 November 2023	Finance Portfolio Committee Meeting in Sandton	<p>The Department to table a presentation on its financial performance for Quarter 2 of the 2023/24FY. The presentation entail:</p> <p>Cash flow management (inclusive of a list of unpaid suppliers and the age analysis of the credit), revenue collection (if applicable), overall expenditure, compensation of employees, transfers, and subsidies (if applicable), conditional grants expenditure and infrastructure expenditure.</p> <p>Should there be any deviations in expenditure greater and equal to 2%, the Department should provide reasons thereof and remedial actions.</p>	The Department tabled a report on the financial performance for Quarter 2 of the F/Y:2023/24 and responded to the questions posed by the Portfolio Committee.

DATES OF MEETINGS	PORTFOLIO COMMITTEE	AGENDA ITEMS	DID'S RESPONSE TO AGENDA ITEMS
16 November 2023	Health and Wellness Portfolio Committee Virtual Meeting	<p>The purpose of the invitation is to deliver the following presentations:</p> <p>Infrastructure Matters:</p> <p>a.) State of all health infrastructure projects in health facilities.</p> <p>b) Anglo Ashanti Hospital upgrade with ICU beds.</p> <p>Progress report on the suspension of employees associated with this project.</p>	
21 November 2023	Infrastructure Development & Property Management Portfolio Committee Oversight & Meeting in Tshwane Region	<p>Oversight visits to the following projects:</p> <p>LG Holele in Ga-Rankuwa</p> <p>After oversight visits on projects, roundtable discussion meeting convened.</p>	The purpose of the session was to engage the DID and GDE on the updates of the projects visited, IPM's presented and responded to the questioned posed.
24 November 2023	SCOPA Meeting	<p>SCOPA has noted several areas on which it needs to engage the Departments and the entity further. These include but are not limited to the following.</p> <ul style="list-style-type: none"> <li>• Significant uncertainty relating to contingent liabilities;</li> <li>• Expenditure management &amp; procurement and contract management;</li> <li>• Previously reported material irregularities that need to be clarified by your departments; and</li> <li>• A detailed plan on the interventions on or the future of the Gauteng Housing Fund.</li> </ul>	The Department i.e. HOD and MEC reported on the issues identified by SCOPA.



DATES OF MEETINGS	PORTFOLIO COMMITTEE	AGENDA ITEMS	DID'S RESPONSE TO AGENDA ITEMS
1 February 2024	Infrastructure Development & Property Management Portfolio Committee Meeting	<p>Progress Reports on the Projects visited in previous quarter.</p> <ul style="list-style-type: none"> <li>• Nancefield Primary School</li> <li>• Thubelihle High School</li> <li>• Noordgesig Primary School</li> <li>• Kwadedangendale Secondary School</li> <li>• Rust-Ter-Vaal Secondary School</li> <li>• Relebogile Secondary school</li> <li>• Simunye Secondary School</li> <li>• Randfontein Secondary School</li> <li>• Barcelona Primary School</li> <li>• Mogobeng Primary School</li> <li>• Lakeside Primary School</li> <li>• Transoranje LSEN School</li> <li>• Semphatho Secondary School</li> <li>• Mapenane School of Specialisation</li> <li>• Rusoord Middle School</li> </ul>	The Department provided a status update of the projects visited and responded to the questions posed by the Portfolio Committee.
8 February 2024	Infrastructure Development & Property Management Portfolio Committee Oversight Visit & Meeting in Vereeniging	<p>The following sites were visited:</p> <ul style="list-style-type: none"> <li>• Rusoord Secondary School</li> <li>• Kopanong Hospital (repurposing project) – (No. 2 Cassino Road, Duncanville, Vereeniging)</li> <li>• Rust-Ter-Vaal Secondary School - (Cnr Kiaat Ave &amp; Gesiggie St, Rust Ter Vaal, Vereeniging)</li> </ul> <p>The meeting will take place at the Roshnee Library (Bilal Drive, Roshnee, Vereeniging).</p>	The Department provided a status update of the projects visited and responded to the questions posed by the Portfolio Committee.
15 February 2024	Infrastructure Development & Property Management Portfolio Committee Oversight Visit & Meeting in the Westrand Region	<p>The following sites were visited:</p> <ul style="list-style-type: none"> <li>• Mayibuye Clinic (Helena Street, Munsieville)</li> <li>• Randfontein Secondary School (Komatieriver St, Toekomsrus, Randfontein)</li> <li>• Randfontein Community Health Center (Cnr Ralerata and Ralefume Street, Mohlakeng)</li> <li>• Simunye Secondary School (Cnr Neptunus &amp; Oliver Tambo St, Garten West District)</li> </ul> <p>The meeting will take place at the Rand West Council Chambers.</p>	The Department provided a status update of the projects visited and responded to the questions posed by the Portfolio Committee.

DATES OF MEETINGS	PORTFOLIO COMMITTEE	AGENDA ITEMS	DID'S RESPONSE TO AGENDA ITEMS
21 February 2024	Infrastructure Development & Property Management Portfolio Committee Meeting	<ul style="list-style-type: none"> <li>Adjustment Budget for the 2023/24 FY</li> <li>Responses to questions emanating from the Analysis of the Adjustment Budget for the 2023/24 FY.</li> <li>3rd Quarter performance Report for the 2023/24 FY.</li> </ul>	The Department provided a status update of the projects visited and responded to the questions posed by the Portfolio Committee.
29 February 2024	Infrastructure Development & Property Management Portfolio Committee Oversight visits and Meeting - Ekurhuleni area	<ul style="list-style-type: none"> <li>Mayibuye Clinic Project</li> <li>Mayibuye School Projects</li> </ul>	The Department provided a status update of the projects visited and responded to the questions posed by the Portfolio Committee.
06 March 2024	Infrastructure Development & Property Management Portfolio Committee Joint Meeting with Education & Health Virtual Meeting	<ul style="list-style-type: none"> <li>Rusoord Middle School</li> <li>Kwa-Dedangendlale Secondary School</li> <li>Nancefield Primary School, and Thubelihle High School Projects. Healthcare facilities are related to Kopanong Hospital, Mayibuye, and Khutsong Clinics</li> </ul>	The Department provided a status update of the projects visited and responded to the questions posed by the Portfolio Committee.
08 March 2024	Infrastructure Development & Property Management Portfolio Committee Joint Meeting with Education & Health Oversight visits and Meeting in Tshwane Region	<ul style="list-style-type: none"> <li>Mandisa Shiceka Clinic</li> <li>New Kekanastad Clinic</li> </ul>	The Department provided a status update of the projects visited and responded to the questions posed by the Portfolio Committee.
15 March 2024	Infrastructure Development & Property Management Portfolio Committee Joint Meeting with Education & Health Oversight visits and Meeting in City of Johannesburg Region	<ul style="list-style-type: none"> <li>Hillbrow Clinic</li> <li>Helen Joseph Hospital</li> <li>Rahima Moosa Hospital</li> <li>Chris Hani Baragwanath Academic Hospital</li> </ul>	The Department provided a status update of the projects visited and responded to the questions posed by the Portfolio Committee.



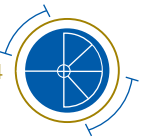
## 8. SCOPA RESOLUTIONS

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

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1.	Progress report detailing the effectiveness of the internal control measures.	Response to SCOPA  Resolutions emanating from the report of the Auditor-General to the Gauteng legislature on the financial statements of Gauteng Department of Infrastructure Development for the year ended 31 March 2022	<p>The Department must provide the Committee with a progress report detailing the effectiveness of the following AGSA recommendation and provide a quarterly progress report continuing up until completion thereof.</p> <p>The following are the measures put in place to ensure compliance to all relevant prescripts:</p> <ul style="list-style-type: none"> <li>• All revised polices and newly-issued prescripts by national and provincial treasury, as well as CIDB are disseminated among SCM staff;</li> <li>• The SCM office hold information sharing sessions on a regular basis;</li> <li>• All projects above R2 million both during specification and evaluation processes are subjected to probity auditors process for compliance and quality check;</li> <li>• Findings raised in the probity audit report for bid specification and evaluation meetings must be cleared prior to presentation to BAC. A final probity is presented to the BAC; and</li> <li>• An Emergency Procurement Policy had been approved in 3rd Quarter of 2022/23 financial year place to regulate the process to be followed in terms of emergency procurement.</li> </ul> <p>The Department must provide the Committee with a progress report detailing the effectiveness of the following AGSA recommendations regarding controls put in place to ensure the resources of state utilised economically:</p> <p><b>The below will apply to mitigate risk cost versus benefit.</b></p> <ul style="list-style-type: none"> <li>• In the planning phase of all the capital project a cost breakdown (BOQ) is determined to get the best estimated value for the project to be undertaken;</li> <li>• The estimated value is used as a benchmark to invite all contractors that are allowed to work to the value of this estimate or higher. This is to ensure the contractor can undertake work to be done. In addition, it ensures value for money;</li> </ul>	Yes

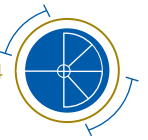


Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<ul style="list-style-type: none"> <li>The estimated value of work also guides in terms of the functionality criteria where the quality of the project is derived from. Evaluation is done in accordance with all prescripts and the highest scoring bidder (total of price and preference points) unless where objective criteria is applied;</li> <li>In cases where a competitive negotiation procedure is the procurement method the Department can negotiate to obtain the “best suitable solution” for the required service or works</li> <li>In terms where a sole provider of works and or services will be applicable a negotiated procedure shall be implemented for the best value for money to be achieved.</li> </ul> <p>Management should ensure that the Department comply with all applicable laws and regulations, when in the process of procurement so to make sure that all regulatory requirements are adhered to.</p> <ul style="list-style-type: none"> <li>All submissions made to the BAC for adjudication (transaction above R2 million) is not accepted unless a probity report is attached. The probity report must not note any findings;</li> <li>A vetting process is undertaken for all projects presented to the BAC to ensure confirm the tax status of the service provider, as well as CSD registration amongst others;</li> <li>For the quotation process (values above R2 000 up to R1 million) the relevant manager, who approves the transaction, must ensure at least three quotes are attached.</li> <li>Officials in SCM only accepts requests for emergency procurement must have approval from the accounting officer before proceeding with the procurement. The Emergency Procurement Policy is followed in cases of emergency procurement.</li> </ul> <p>That the Department must provide the Committee with a progress report detailing the effectiveness of the following AGSA recommendation:</p> <p>That management must ensure compliance with the applicable laws and regulations during the competitive bidding.</p> <ul style="list-style-type: none"> <li>All transactions above R1 million follow the competitive bidding process unless in urgent or emergency cases;</li> <li>The framework panel which will be utilised for emergency procurement as well;</li> <li>For all construction projects the minimum CIDB level and grading is indicated in all invitation to tender;</li> <li>Probity auditors are involved in the bid specification and evaluation process to ensure compliance to all prescripts;</li> </ul>	



Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)															
			<p>All invitation to bid and awards a republished in the required platforms;</p> <p>Prior to award the tax compliance and CSD registration, among others are verified</p> <p>The highest scoring bidder is appointed unless in cases where objective criteria is applied. A detailed report is available, annexure A.</p>																
2	Preliminary questions for Vote 15 Gauteng Department of Infrastructure Development's Auditor General's report for the year ended 31 March 2023	SCOPA preliminary questions emanating from the report of the Auditor-General of South Africa to the Gauteng Provincial Legislature on the financial statements and performance information of the Gauteng department of Infrastructure Development for the year ended 31 March 2023	<p><b>Significant uncertainty relating to contingent liabilities.</b></p> <p>For the details of the contingent liabilities for each of the financial years 2021/2022 and 2022/2023 refer to the table below respectively.</p> <table border="1"> <thead> <tr> <th>Description</th> <th>2021/2022</th> <th>2022/2023</th> </tr> <tr> <td></td> <th>Amount R'000</th> <th>Amount R'000</th> </tr> </thead> <tbody> <tr> <td>Claims against the Department</td> <td>343,414</td> <td>315,641</td> </tr> <tr> <td>Interdepartmental unconfirmed balances</td> <td>-</td> <td>1,938</td> </tr> <tr> <td><b>Total</b></td> <td><b>343,414</b></td> <td><b>317,579</b></td> </tr> </tbody> </table> <p><b>Provide details of plans or interventions to minimise contingent liabilities.</b></p> <ul style="list-style-type: none"> <li>The Department appointed Senior Counsel to review the standard contracts that it utilises to ensure that the contracts are legally compliant, meet industry standards and protect the interests of the department. The contracts that have been reviewed are the Professional Service Provider Service Level Agreements and the Standard Lease Agreements for Commercial and Residential properties. The Joint Building Construction Committee (JBCC) reviewed the contract clauses amended by the department and a workshop was held with officials on the JBCC.</li> <li>Interdepartmental Accounting Officer meetings are being held to discuss litigation matters and the payments that are required to be processed by the client Departments. In particular litigation matters arising from Department of Health Projects are followed up more frequently as they pose a significant financial risk to the Department.</li> <li>The Accounting Officer holds weekly meetings with direct reports being the DDG's and other Senior Managers to ensure that litigation matters are receiving the necessary attention and that letters of demand are investigated and dealt with timeously to prevent them becoming court matters. A detailed report is available, annexure B.</li> </ul>	Description	2021/2022	2022/2023		Amount R'000	Amount R'000	Claims against the Department	343,414	315,641	Interdepartmental unconfirmed balances	-	1,938	<b>Total</b>	<b>343,414</b>	<b>317,579</b>	Yes
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3.	INFSCOPAOR013	Resolutions on responses on the Standing Committee on Public Accounts oversight report on the report of the Auditor-General of South Africa to the GPL on the financial statements of the DID	<p>The MEC provides the committee with a progress report detailing the effectiveness of the measures put in place to curb the underspending by 31 January 2024, and thereafter, every quarter continuing up until the end of June 2024.</p> <ul style="list-style-type: none"> <li>The overall expenditure of the department was at 77% against the adjusted budget for Q3. Year to date spending percentage is at 79%, which is 2% below the target. The Department has a payment plan in place that is monitored on a weekly basis to ensure that set target for 4th Quarter is achieved. The Department will continue to monitor and report the performance monthly.</li> </ul> <table border="1"> <thead> <tr> <th>R'000</th> <th>Main Budget</th> <th>Adjusted Budget</th> <th>Total Expenditure</th> <th>Available Budget</th> <th>% Spent</th> <th>Jan '24</th> <th>Feb '24</th> <th>Mar '24</th> <th>Available Budget</th> </tr> </thead> <tbody> <tr> <td>Compensation of employees</td> <td>1,232,558</td> <td>1,242,183</td> <td>895,892</td> <td>346,291</td> <td>72%</td> <td>135,500</td> <td>104,900</td> <td>104,900</td> <td>1,491</td> </tr> <tr> <td>Goods and services</td> <td>679,911</td> <td>839,501</td> <td>980,637</td> <td>-141,136</td> <td>117%</td> <td>10,000</td> <td>5,000</td> <td>5,000</td> <td>(161,136)</td> </tr> <tr> <td>Interest and rent on land</td> <td></td> <td></td> <td>457</td> <td>-457</td> <td>100%</td> <td></td> <td></td> <td></td> <td>(457)</td> </tr> <tr> <td>Provinces and municipalities</td> <td>1,238,977</td> <td>1,242,517</td> <td>962,284</td> <td>280,233</td> <td>77%</td> <td>150,000</td> <td>130,000</td> <td>-</td> <td>-</td> </tr> <tr> <td>Households</td> <td>4,000</td> <td>4,000</td> <td>4,194</td> <td>-194</td> <td>105%</td> <td></td> <td></td> <td></td> <td>(194)</td> </tr> <tr> <td>Buildings (Infrastructure)</td> <td>117,524</td> <td>59,753</td> <td>34,900</td> <td>24,853</td> <td>58%</td> <td>12,583</td> <td>6,390</td> <td>5,904</td> <td>(24)</td> </tr> <tr> <td>Buildings (Solar Energy)</td> <td>0</td> <td>329,000</td> <td>0</td> <td>329,000</td> <td>0%</td> <td>89,000</td> <td>164,000</td> <td>70,000</td> <td>6,000</td> </tr> <tr> <td>Machinery and equipment</td> <td>38,300</td> <td>46,300</td> <td>36,234</td> <td>10,066</td> <td>78%</td> <td>3,000</td> <td>3,000</td> <td>3,500</td> <td>566</td> </tr> <tr> <td>Payments for Financial Asset</td> <td>-</td> <td>0</td> <td>51</td> <td>-51</td> <td>0%</td> <td>-</td> <td>-</td> <td>-</td> <td>(51)</td> </tr> <tr> <td><b>Total</b></td> <td><b>3,311,270</b></td> <td><b>3,773,285</b></td> <td><b>2,914,648</b></td> <td><b>858,637</b></td> <td><b>77%</b></td> <td><b>400,083</b></td> <td><b>376,290</b></td> <td><b>244,304</b></td> <td><b>(162,040)</b></td> </tr> </tbody> </table> <p>A detailed report is attached hereto, annexure C.</p>	R'000	Main Budget	Adjusted Budget	Total Expenditure	Available Budget	% Spent	Jan '24	Feb '24	Mar '24	Available Budget	Compensation of employees	1,232,558	1,242,183	895,892	346,291	72%	135,500	104,900	104,900	1,491	Goods and services	679,911	839,501	980,637	-141,136	117%	10,000	5,000	5,000	(161,136)	Interest and rent on land			457	-457	100%				(457)	Provinces and municipalities	1,238,977	1,242,517	962,284	280,233	77%	150,000	130,000	-	-	Households	4,000	4,000	4,194	-194	105%				(194)	Buildings (Infrastructure)	117,524	59,753	34,900	24,853	58%	12,583	6,390	5,904	(24)	Buildings (Solar Energy)	0	329,000	0	329,000	0%	89,000	164,000	70,000	6,000	Machinery and equipment	38,300	46,300	36,234	10,066	78%	3,000	3,000	3,500	566	Payments for Financial Asset	-	0	51	-51	0%	-	-	-	(51)	<b>Total</b>	<b>3,311,270</b>	<b>3,773,285</b>	<b>2,914,648</b>	<b>858,637</b>	<b>77%</b>	<b>400,083</b>	<b>376,290</b>	<b>244,304</b>	<b>(162,040)</b>	No
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## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

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.

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	2013/2014	The Department has implemented a procurement process for leasing of office accommodation for the office buildings whose contracts have expired and is reported as irregular expenditure. At year end the procurement process was at bid evaluation stage.
Effective steps were not taken to prevent fruitless and wasteful 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	2013/2014	<ul style="list-style-type: none"> <li>The Department has established a governance structure called the Payment War Room to fast-track payment of suppliers within 30 days.</li> <li>In addition, payment of suppliers has been included in the performance agreements of all senior managers. As a result of this interventions the Department achieved a performance of 100% payment of suppliers within 30 days.</li> <li>Accounting Officer held bilateral meetings with client departments to discuss project performance and litigations matters that required intervention.</li> </ul>

## 10. INTERNAL CONTROL UNIT

The Internal Control function within 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 and the AGSA. The Internal Control Unit is also the driver of the clean audit readiness within the department.

During the 2023/24 financial year, 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 audits. The following internal control assessments and reviews were conducted:

- Review of interim and annual financial statements;
- Review of the Departmental quarterly performance report against the Annual Performance Plan;
- Facilitate and managing the implementation of audit action plans emanating from the audit report of the Auditor General and internal auditors;
- Review of Immoveable Asset Register in line with management assertions;
- A clean audit strategy was developed, to ensure the Department works towards achieving a clean audit by evaluating and monitoring all the clean audit key performance areas; and

- Implemented ad hoc request from management that enhance the culture of compliance and internal control consciousness.

## 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

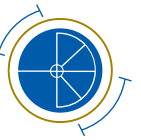
According the Audit Committee Charter, the following are fundamental responsibilities and primary objectives of the committee:

#### 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 stakeholder 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.

The table below discloses relevant 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
MMathebe Annah Faith Moja (Ms)	Masters in Business Leadership Bachelor of Commerce	External	-	11 August 2020	Current	
Mduduzi Mike Sibeko (Mr)	Master of Business Administration Postgraduate Diploma: Integrated Reporting B-Tech: Internal Auditing National Diploma: Internal Auditing	External	-	01 August 2022	Current	
Lwazi Giba (Mr)	Bachelor of Science Bachelor of Accounting Honors (CTA)	External	-	01 August 2023	Current	

## 12. AUDIT COMMITTEE REPORT

### GAUTENG PROVINCIAL GOVERNMENT (GPG)

#### 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 2024.

#### Audit Committee and Attendance

The Audit Committee consists of the external Members listed hereunder and is required to meet twice 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 Reports (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
Ms Mmathebe Moja (Chairperson)	5
Mr Mduduzi Sibeko	5
Mr Lwazi Giba	5

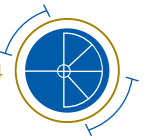
#### Executive Officers

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
Ms Masabata Mutlaneng (Accounting Officer)	4
Mr Moloko Matloha (Acting Chief Financial Officer)	4
Mr Phumzile Ntsizi (Acting Chief Risk Officer)	5
Mr Velile Kweyama (Chief Audit Executive)	4

The Audit Committee appreciates that the Accounting Officer attended four (4) scheduled Audit Committee meetings. The Audit Committee is satisfied that the Department adhered to the provisions of the GPG Audit Committee Charter by ensuring that there is proper representation for the Accounting Officer.

The Members of the Committee met with the Senior Management Team of the Department and Internal Audit collectively to highlight business risks and address challenges facing the Department. Where necessary, 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 executed 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, 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 in some areas, 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 monitor the Department's efforts to improve the effectiveness of controls in the following areas:

- The Department should focus on improving the effectiveness of controls in the following areas:
- Property Management - Lease Administration & Revenue
- Occupational Health Safety Audit;
- Infrastructure Projects Delivery : Construction- Education
- Infrastructure Projects Delivery : Construction- Health
- Expenditure Management (Payment of Suppliers/ Litigation)

**Management should also implement corrective actions to address the findings raised by the Auditor-General on time.**

## Information and Communication Technology (ICT) Governance

Based on the findings of the 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 among 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 attaining a fully-functioning integrated assurance system.

The Audit Committee will continue to review the Internal Audit function's assigned capacity and resources as it impacts the level of their output.

The following audits were covered by Internal Audit during the period under review:



- Follow up audit on Occupational Health and Safety
- Government Immovable Asset Management
- Infrastructure Delivery: Construction- Health (Includes District Offices)
- Supply Chain Management
- Business Continuity Management
- Follow-up on AG Significant Findings
- Infrastructure Projects Delivery: Maintenance- Health (Includes District Offices)
- Corporate Governance
- Review of Annual Performance Report
- Audit of the performance of the department against predetermined objectives Q1
- Audit of the performance of the department against predetermined objectives Q2
- Follow-up audit on management of under-utilised immovable properties (dilapidated, abandoned, and neglected buildings)
- SAP ESS & PERSAL leave reconciliation
- Data Analysis – ETHICS / FIN / HR (1 Jan 2023 – 30 June 2023)
- Project governance review
- 2024-25 IT risk assessment

## Risk Management

The Audit Committee is accountable for monitoring the department's risk management operations. Our oversight extends to the review of the 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 progress made towards a higher level of maturity in risk management processes. To effectively manage the significant risk exposures faced by the Department, however, it is imperative that some processes and regulations be modified. The management team must ensure that the department's strategic register is completed as early in the year as the Annual Performance Plan is developed. This ensures that risk mitigation strategies exist and can be implemented efficiently.

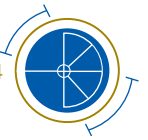
Management is responsible for fully owning and directing the Enterprise Risk Management Process. This includes providing unwavering assistance to the Chief Risk Officer in an effort to improve the Department's risk management performance. As the Audit Committee, we anticipate and look forward to seeing 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 reports, and is satisfied with the content and quality of financial and non-financial quarterly reports prepared and submitted by the Accounting Officer 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 in compliance with 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 recommended the establishment and implementation of an effective compliance management system to address issues of non-compliance with laws and regulations.

### **Forensic Investigations**

There were two (2) new cases reported to Provincial Forensic Services. The Committee remained concerned with the slow implementation of recommendation on consequence management and will monitor progress on a quarterly basis.

### **Evaluation of Annual Financial Statements**

Prior to submission to the AGSA for auditing purposes, the Audit Committee reviewed 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 with the Auditor-General's report.

### **Evaluation of Annual Report**

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

- Audit Committee reviewed and accepted final draft Annual Report (including performance report) at the audit committee meeting held on 26 July 2024 and noted the achievement for the year under review.

### **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's view is that 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, where necessary.

### **Interaction with the Executive Authority**

The Audit Committee submitted quarterly reports to the Executive Authority for the Department to apprise the MEC on the performance of the Department.

## Conclusion

The Audit Committee would like to congratulate the Department's leadership on attaining an improved audit outcome with reduced audit findings. The outcome is attributable to the improvements to risk management and internal controls which will 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 of audit findings, consequence management, and regular monitoring of progress against audit action plan in order to achieve the essential effectiveness in governance, accountability, and clean administration.

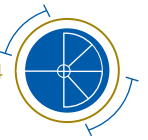
A continued improvement in communication between the Accounting Officer, Senior Management, the Auditor-General of South Africa, and the Internal Audit Function is encouraged and valued by the Audit Committee to enhance the Province's Corporate Governance initiatives.

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



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**Ms Mmathebe Moja**  
**Chairperson of the Audit Committee**  
**Date: 8 August 2024**



### 13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not applicable
Developing and implementing a preferential procurement policy?	Yes	The SCM Policy that is in line with the Preferential Procurement Framework Act of 2000, and its Regulations does exist
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable
Developing criteria for entering into 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





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# 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 improving employee performance to provide efficient and effective infrastructure delivery for the Gauteng Province.

## 3. HUMAN RESOURCES OVERSIGHT STATISTICS

### 3.1 Personnel Related Expenditure

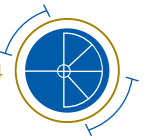
The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

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

**Table 3.1.1 Personnel expenditure by programme for the period 1 April 2023 and 31 March 2024**

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	252,977	250,456	7,720	-	99	456
Public Works	889,842	859,120	10,133	-	97	400
EPWP	216,534	97,022	R304	-	45	19
<b>Total</b>	<b>1,359,352</b>	<b>1,206,599</b>	<b>18,157</b>	<b>-</b>	<b>89</b>	<b>152</b>

- Personnel expenditure extracted from PERSAL.

**Table 3.1.2 Personnel costs by salary band for the period 1 April 2023 and 31 March 2024**

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)	58,066	4.81	273	213
Skilled (level 3-5)	292,026	24.20	1046	279
Highly skilled production (levels 6-8)	297,973	24.70	702	424
Highly skilled supervision (levels 9-12)	388,119	32.17	509	763
Senior and Top management (levels 13-16)	89,616	7.43	66	1,358
Interns, Learners & NYS	80,799	6.70	5318	15
<b>Total</b>	<b>1,206,599</b>	<b>100.00</b>	<b>7914</b>	<b>152</b>

- Table includes everyone paid for the mentioned period.

**Table 3.1.3 Salaries, Overtime, Home-Owners Allowance and Medical Aid by programme for the period 1 April 2023 and 31 March 2024**

	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	169,626	67.73	907,109	0.36	8,151	3.25	10,528	4.20
Public Works	574,107	66.82	31,603	3.68	38,698	4.50	59,918	6.97
EPWP	20,509	21.14	296	0.31	798	0.82	967	1.00
<b>Total</b>	<b>764,242</b>	<b>63.34</b>	<b>32,807</b>	<b>2.72</b>	<b>47,646</b>	<b>3.95</b>	<b>71,412</b>	<b>5.92</b>

**Table 3.1.4 Salaries, Overtime, Home-Owners Allowance and Medical Aid by salary band for the period 1 April 2023 and 31 March 2024**

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)	34,304	59.08	2,603	4.48	4,386	7.55	8,270	14.24
Skilled (level 3-5)	185,023	63.36	14,771	5.06	17,604	6.03	31,474	10.78
Highly skilled production (levels 6-8)	206,299	69.23	11,834	3.97	11,843	3.97	20,307	6.82
Highly skilled supervision (levels 9-12)	277,925	71.61	3,599	0.93	10,863	2.80	10,345	2.67
Senior management (level 13-16)	59,253	66.12	0	0.00	2,950	3.29	1,016	1.13
<b>Total</b>	<b>762,804</b>	<b>67.76</b>	<b>32,807</b>	<b>2.91</b>	<b>47,646</b>	<b>4.23</b>	<b>71,412</b>	<b>6.34</b>



### 3.2 Employment and Vacancies

The tables in this section summarise the position with regard to 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
- critical occupations (see definition in notes below).

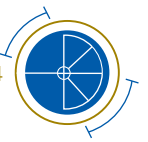
The Department have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

**Table 3.2.1 Employment and vacancies by programme as on 31 March 2024**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	400	334	16.5	17
Public Works	2435	2051	16	31
EPWP	46	43	7	4
<b>Total</b>	<b>2881</b>	<b>2428</b>	<b>16</b>	<b>52</b>

**Table 3.2.2 Employment and vacancies by salary band as on 31 March 2024**

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	332	18	4
Skilled (3-5)	925	767	17	0
Highly skilled production (6-8)	417	349	16	8
Highly skilled supervision (9-12)	253	224	11	29
OSD: Engineers and related	180	144	20	2
OSD: Legal Admin Officers	8	7	12	2
OSD: Artisan	624	543	13	4
Senior management (13-16)	67	62	7	3
<b>Total</b>	<b>2881</b>	<b>2428</b>	<b>16</b>	<b>52</b>


**Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2024**

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	543	13	4
OSD: Engineering and Related Professionals	180	144	20	2
OSD: Legal Admin Officer	8	7	12	2
<b>Total</b>	<b>812</b>	<b>694</b>	<b>14</b>	<b>8</b>

### 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 2024**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head of Department	1	1	100	0	0
Salary Level 15	4	3	75	1	25
Salary Level 14	13	12	92	1	8
Salary Level 13	49	46	94	3	6
<b>Total</b>	<b>67</b>	<b>62</b>	<b>93</b>	<b>5</b>	<b>7</b>

**Table 3.3.2 SMS post information as on 30 September 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
Head of Department	1	1	100	0	0
Salary Level 15	4	3	75	1	25
Salary Level 14	13	12	92	1	8
Salary Level 13	49	45	92	4	8
<b>Total</b>	<b>67</b>	<b>61</b>	<b>91</b>	<b>6</b>	<b>9</b>

**Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2023 and 31 March 2024**

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
Head of Department	0	0	0
Salary Level 15	1	0	0
Salary Level 14	1	0	0
Salary Level 13	1	1	3
<b>Total</b>	<b>3</b>	<b>1</b>	<b>3</b>

**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 2023 and 31 March 2024**

**Reasons for vacancies not advertised within six months**

Treasury implemented budget cuts on COE and thus not all vacancies could be filled as guided by the DPSA guidelines that the post must be advertised within 6 months.

**Reasons for vacancies not filled within twelve months**

Treasury implemented budget cuts on COE and thus not all vacancies could be filled as guided by the DPSA guidelines.

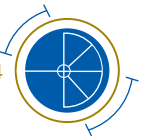
**Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2023 and 31 March 2024**

**Reasons for vacancies not advertised within six months**

Budget cuts on compensation of employees as implemented by National and Provincial Treasuries

**Reasons for vacancies not filled within six months**

Budget cuts on compensation of employees as implemented by National and Provincial Treasuries



### 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 2023 and 31 March 2024**

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)	925	922	99	0	0	0	0
Highly skilled production (Levels 6-8)	417	393	94	0	0	0	0
Highly skilled supervision (Levels 9-12)	253	211	83	0	0	0	0
Senior Management Service Band A (SL 13)	49	32	65	0	0	0	0
Senior Management Service Band B (SL 14)	13	12	92	0	0	0	0
Senior Management Service Band C (SL 15)	4	2	50	0	0	0	0
Senior Management Service Band D (SL 16)	1	0	0	0	0	0	0
OSD	812	812	100	0	0	0	0
<b>Total</b>	<b>2 881</b>	<b>2 791</b>	<b>97</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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 2023 and 31 March 2024**

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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
0	0	0	0	
Total number of employees whose salaries exceeded the level determined by job evaluation				N/A
Percentage of total employed				N/A

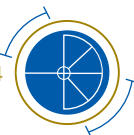
The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

**Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2023 and 31 March 2024**

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with a disability	0	0	0	0	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 2023 and 31 March 2024**

Salary band	Number of employees at beginning of period-1 April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate (%)
Lower skilled (Levels 1-2)	338	11	4	1.18
Skilled (Levels 3-5)	785	44	38	4.84
Highly skilled production (Levels 6-8)	336	40	24	7.14
Highly skilled supervision (Levels 9-12)	257	6	20	7.78
Artisan & Related professions	547	11	21	3.84
OSD (Legal Admin)	7	3	0	0
OSD (Engineers and related professions)	138	31	18	13.04
Senior Management Service Bands A	45	1	1	2.22
Senior Management Service Bands B	13	0	0	0
Senior Management Service Bands C	4	0	0	0
Senior Management Service Bands D	1	0	0	0
Contracts	6	0	0	0
<b>Total</b>	<b>2477</b>	<b>147</b>	<b>126</b>	<b>5.09</b>

**Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2023 and 31 March 2024**

Critical occupation	Number of employees at beginning of period-April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate (%)
All artisans in the building and machinery	547	11	21	3.84
Engineering and Related Professionals	138	30	18	13.04
<b>Total</b>	<b>685</b>	<b>41</b>	<b>39</b>	<b>5.69</b>

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 2023 and 31 March 2024**

Termination Type	Number	% of Total Resignations
Death	10	7.94
Resignation	64	50.79
Expiry of contract	0	0
Dismissal – misconduct	3	2.38
Discharged due to ill-health	6	4.76
Retirement	29	23.02
Transfer to other Public Service Departments	14	11.11
Other	0	0
<b>Total number of employees who left as a % of total employment</b>	<b>126</b>	<b>5.09</b>

**Table 3.5.4 Promotions by critical occupation for the period 1 April 2023 and 31 March 2024**

Occupation	Employees 1 April 2023	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	547	17	3.01	385	70
Engineering and Related Professionals	145	1	0.69	65	45
<b>Total</b>	<b>692</b>	<b>18</b>	<b>2.60</b>	<b>450</b>	<b>65</b>

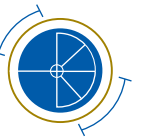
**Table 3.5.5 Promotions by salary band for the period 1 April 2023 and 31 March 2024**

Salary Band	Employees 1 April 2023	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)	338	0	0	228	67
Skilled (Levels 3-5)	788	4	0.51	617	78
Highly skilled production (Levels 6-8)	336	14	4.17	241	72
Highly skilled supervision (Levels 9-12)	260	6	2.31	169	65
Senior Management (Level 13-16)	63	3	4.76	30	48
Artisan & Related professions	547	17	3.11	385	70
OSD (Legal Admin)	7	0	0	4	57
OSD (Engineers and related professions)	138	1	0.73	65	47
<b>Total</b>	<b>2477</b>	<b>45</b>	<b>1.82</b>	<b>1739</b>	<b>70</b>

### 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 2024**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	36	2	2	0	23	1	1	0	65
Professionals	84	1	8	4	43	1	4	1	146
Technicians and associate professionals	185	6	0	12	176	4	1	1	385
Clerks	149	1	3	5	254	9	0	22	443
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



Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Craft and related trades workers	384	11	2	32	118	0	0	0	547
Plant and machine operators and assemblers	257	7	0	7	123	1	0	0	395
Elementary occupations	267	4	0	3	224	1	0	0	499
<b>Total</b>	<b>1362</b>	<b>32</b>	<b>15</b>	<b>63</b>	<b>961</b>	<b>17</b>	<b>6</b>	<b>24</b>	<b>2480</b>
<b>Employees with disabilities</b>	<b>38</b>	<b>2</b>	<b>0</b>	<b>5</b>	<b>14</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>63</b>

**Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2024**

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	20	1	1	0	60
Professionally qualified and experienced specialists and mid-management	261	5	8	23	163	5	5	2	472
Skilled technical and academically qualified workers, junior management, supervisors, foreman, and superintendents	141	5	3	5	202	5	0	9	370
Semi-skilled and discretionary decision making	750	14	2	34	419	5	0	13	1237
Unskilled and defined decision making	174	6	0	1	154	1	0	0	336
<b>Total</b>	<b>1362</b>	<b>32</b>	<b>15</b>	<b>63</b>	<b>961</b>	<b>17</b>	<b>6</b>	<b>24</b>	<b>2480</b>



**Table 3.6.3 Recruitment for the period 1 April 2023 and 31 March 2024**

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	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	18	1	2	0	17	0	1	0	39
Skilled technical and academically qualified workers, junior management, supervisors, foreman, and superintendents	21	2	0	0	26	1	0	0	50
Semi-skilled and discretionary decision making	19	0	0	0	26	1	0	0	46
Unskilled and defined decision making	4	0	0	0	7	0	0	0	11
<b>Total</b>	<b>63</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>76</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>147</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3.6.4 Promotions for the period 1 April 2023 and 31 March 2024**

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	1	0	0	0	2	0	0	0	3
Professionally qualified and experienced specialists and mid-management	5	0	0	0	4	0	0	0	9
Skilled technical and academically qualified workers, junior management, supervisors, foreman, and superintendents	14	1	0	1	13	0	0	0	29
Semi-skilled and discretionary decision making	0	0	0	0	4	0	0	0	4
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>20</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>45</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

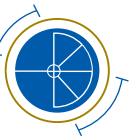


Table 3.6.5 Terminations for the period 1 April 2023 and 31 March 2024

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	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	24	1	1	2	9	0	0	1	38
Skilled technical and academically qualified workers, junior management, supervisors, foreman, and superintendents	25	1	0	2	13	0	0	0	41
Semi-skilled and discretionary decision making	26	1	0	4	9	0	0	0	40
Unskilled and defined decision making	3	0	0		1	0	0	0	4
<b>Total</b>	<b>78</b>	<b>3</b>	<b>1</b>	<b>8</b>	<b>33</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>124</b>
<b>Employees with Disabilities</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>

Table 3.6.6 Disciplinary action for the period 1 April 2023 and 31 March 2024

Disciplinary action	Male 62				Female 13				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	66	0	2	3	16	0	0	0	<b>87</b>

Table 3.6.7 Skills development for the period 1 April 2023 and 31 March 2024

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials, and managers	32	2	5	0	18	2	2	0	61
Professionals	143	3	3	1	136	3	3	0	292
Technicians and associate professionals	126	2	4	0	96	1	3	0	232
Clerks	218	5	3	0	395	6	0	1	628
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	249	2	0	2	167	0	1	0	421
Plant and machine operators and assemblers	77	0	0	0	33	0	0	0	110
Elementary occupations	121	0	0	0	173	0	0	0	294
<b>Total</b>	<b>966</b>	<b>14</b>	<b>15</b>	<b>3</b>	<b>1018</b>	<b>12</b>	<b>9</b>	<b>1</b>	<b>2038</b>
<b>Employees with disabilities</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21</b>

### 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 2023**

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
Head of Department-16	1	1	1	100
Salary Level 15	4	4	3	75
Salary Level 14	13	13	11	85
Salary Level 13	49	46	46	100
<b>Total</b>	<b>67</b>	<b>64</b>	<b>61</b>	<b>95</b>

**Table 3.7.2 Reasons for not having concluded Performance Agreements for all SMS members as on 31 May 2023**

Reasons
3 SMS suspended.
1 X 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 2023**

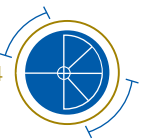
Reasons
N/A

### 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 2023 and 31 March 2024**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>	1597	2322	69	8 405	3 912
Male	929	1361	68	5 139	3 956
Female	668	961	70	3 265	3 846
<b>Asian</b>	9	21	43	157	9 874
Male	7	15	47	118	9 127
Female	2	6	33	39	13 113
<b>Coloured</b>	31	50	62	206	4 585



Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
Male	21	33	64	127	4 108
Female	10	17	59	78	5 642
<b>White</b>	72	87	83	515	5 263
Male	50	63	79	395	5 419
Female	22	24	92	120	4 809
<b>Total</b>	<b>1709</b>	<b>2480</b>	<b>69</b>	<b>9 285</b>	<b>4 024</b>

**Table 3.8.2 Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2023 and 31 March 2024**

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)	228	330	69	447	1 733	4.8
Skilled (level 3-5)	617	772	80	1 684	2 164	18
Highly skilled production (level 6-8)	241	347	69	1 423	4 078	15
Highly skilled supervision (level 9-12)	169	264	64	2 054	7 993	22
Artisan & related professionals	385	548	70	2 246	4 159	24
Engineering & related professionals	65	146	45	1 477	11 365	16
OSD (Legal Personnel)	4	9	44	36	12 204	0.38
<b>Total</b>	<b>1709</b>	<b>2416</b>	<b>71</b>	<b>9 285</b>	<b>4 024</b>	<b>100</b>

**Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2023 and 31 March 2024**

	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Artisan & related professionals	385	548	70	2 246	4 159
Engineering & related professionals	65	146	45	1 477	11 365
<b>Total</b>	<b>450</b>	<b>694</b>	<b>65</b>	<b>3 741</b>	<b>5 510</b>

- 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 2023 to 31 March 2024**

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	25	42	60	460	18 401	81
Band B	5	13	38	108	21 783	19
Band C	0	4	0	0	0	0
Band D	0	1	0	0	0	0
<b>Total</b>	<b>30</b>	<b>60</b>	<b>50</b>	<b>568</b>	<b>20 092</b>	<b>100</b>

- 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 2023 and 31 March 2024**

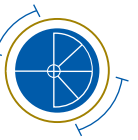
Salary band	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	2	0.6	2	0.6	0	0
Highly skilled supervision (Level. 9-12)	0	0	0	0	0	0
OSD: Engineers and related	3	2.2	3	2.2	0	0
Level 9-12	0	0	0	0	0	0
Level 13-16	1	1.6	1	1.6	0	0
<b>Total</b>	<b>6</b>	<b>4.4</b>	<b>6</b>	<b>4.4</b>	<b>0</b>	<b>0</b>

**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2023 and 31 March 2024**

Major occupation	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
OSD	3	2.2	3	2.2	0	0
SMS	1	1.6	1	1.6	0	0
<b>Total</b>	<b>4</b>	<b>3.8</b>	<b>4</b>	<b>3.8</b>	<b>0</b>	<b>0</b>

### 3.10 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 2023 to 31 December 2023**

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)	1257	61.7	151	11.14	8	426
Skilled (levels 3-5)	4099	55.1	574	42.36	7	1,976
Highly skilled production (levels 6-8)	2772	46.1	384	28.34	7	2,303
Highly skilled supervision (levels 9 -12)	1252	33.9	221	16.31	6	2,327
Top and Senior management (levels 13-16)	160	27.5	25	1.85	6	572
<b>Total</b>	<b>9540</b>	<b>50.1</b>	<b>1355</b>	<b>100</b>	<b>7</b>	<b>7,604</b>

**Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2023 to 31 December 2023**

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)	604	100	7	18	86	256
Skilled (Levels 3-5)	371	100	12	31	50	178
Highly skilled production (Levels 6-8)	651	100	13	33	46	686
Highly skilled supervision (Levels 9-12)	132	100	7	18	86	248
Senior management (Levels 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>1758</b>	<b>100</b>	<b>39</b>	<b>100</b>	<b>15</b>	<b>1 367</b>

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 2023 to 31 December 2023**

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	3801	239	16
Skilled Levels 3-5)	18025	968	19
Highly skilled production (Levels 6-8)	13660	654	21
Highly skilled supervision (Levels 9-12)	8997	463	19
Senior management (Levels 13-16)	1173	63	19
<b>Total</b>	<b>45656</b>	<b>2387</b>	<b>16</b>

**Table 3.10.4 Capped leave for the period 1 January 2023 to 31 December 2023**

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)	15	2	7.5	69.5
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
<b>Total</b>	<b>15</b>	<b>2</b>	<b>7.5</b>	<b>69.5</b>

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

**Table 3.10.5 Leave payouts for the period 1 April 2023 and 31 March 2024**

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	0.00	0	0
Capped leave payouts on termination of service for 2023/24	2,300	25	35
Current leave payout on termination of service for 2023/24	2,204	66	88
<b>Total</b>	<b>4,504</b>	<b>91</b>	<b>123</b>

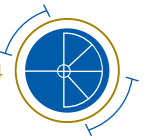
### 3.11 HIV/AIDS & Health Promotion Programmes

**Table 3.11.1 Steps taken to reduce the risk of occupational exposure**

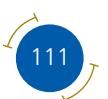
Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
DID employees who work in the Department of Health facilities come into contact with patients/ members of public suffering from a variety of diseases such as TB, etc.	<ul style="list-style-type: none"> <li>No incidents of such nature took place.</li> </ul>

**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

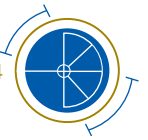


Question	Yes	No	Details, if yes
<p>2. Does the Department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.</p>	√		<p>The Department has Employee Health and Wellness Programme Unit at Head Office and in all regional offices.</p> <p>The unit has nine personnel servicing the EHWP sub-directorate, four of these are based in regional offices. The budget allocated for compensation of Head Office staff for the 2023/2024 FY is R2,762,000.00 with an expenditure of R 2,456,783.22 that is 88.9% as at 29 February 2024.</p>
<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 with a utilisation rate of 10.3% The Department has contracted with Life Health Solutions to provide counselling services to employees and their dependants.</p> <p><b>The Department health and productivity management policy are in place and caters for the following:</b></p> <ul style="list-style-type: none"> <li>• Support for short/ long-term ill health, incapacity management and ill health retirement.</li> <li>• Awareness and promotion of mental health and resilience building</li> <li>• Routine onsite health checks and screening services for chronic and lifestyle diseases</li> <li>• Management of non-Communicable &amp; Communicable Diseases.</li> </ul> <p><b>The services for Wellness Management include:</b></p> <ul style="list-style-type: none"> <li>• Promotion of individual physical wellness</li> <li>• Provision of individual Psycho-Social Support</li> <li>• Provision of Organisational wellness</li> <li>• Provision of work life balance interventions</li> <li>• Advisory services on life issues</li> </ul> <p><b>The health and productivity services include:</b></p> <ul style="list-style-type: none"> <li>• Provision of work reintegration support to employees who are returning from long sick absences.</li> <li>• Provision of support to employees who are undergoing incapacity and ill health Retirement processes.</li> <li>• mental health and resilience building</li> <li>• Management of non-Communicable &amp; Communicable Diseases.</li> </ul>

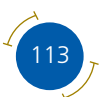




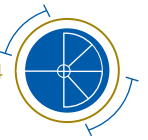
Question	Yes	No	Details, if yes
			<p><b>The HIV and AIDS, STI and TB Management services</b></p> <ul style="list-style-type: none"> <li>• Provision of voluntary health screenings and counselling.</li> <li>• Implementation of peer education programme</li> <li>• Distribution of condoms</li> <li>• HIV/AIDS, STI and TB education, and awareness through commemorative Health calendar of events endorsed by the Department of Health.</li> </ul>
<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><b>Peer Educator Committee is currently under review:</b></p> <p><b>Nominated Tshwane regional office and sites:</b></p> <ol style="list-style-type: none"> <li>1. Marica Moloto</li> <li>2. Puleng Lenyatsa</li> <li>3. Thabang Aphane</li> <li>4. Harriet Manyape</li> <li>5. Tosca Mkhwanazi</li> <li>6. Anita Topham</li> <li>7. Connie Legadima</li> <li>8. Tebogo Mohajane</li> <li>9. Jessica Mahlaule</li> <li>10. Nomsa Mthembu</li> <li>11. Merriam Segone</li> <li>12. Dineo Mabusu</li> <li>13. Zanele Nkomo</li> <li>14. Masilo Mthimkhulu</li> <li>15. Kalafong Hospital:</li> <li>16. Lerato Dikobe</li> <li>17. Kgothatso Motale</li> <li>18. Jessica Mahlaule</li> <li>19. Nomsa Mthembu</li> <li>20. Eddy Baloyi</li> <li>21. Nokwanda Hlatshwayo</li> </ol>



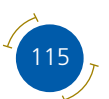
Question	Yes	No	Details, if yes
			<p><b>Nominated Tulisa Park regional office and sites</b></p> <ol style="list-style-type: none"> <li>1. Pat Nkabinde</li> <li>2. Thilivhali Mulelu</li> <li>3. Nomthandazo Khutshwane</li> <li>4. Phethile Masango</li> <li>5. Bongani Ndaba</li> <li>6. Rhondis Matros</li> <li>7. Thapelo Malepe</li> <li>8. Lorraine Dikgale</li> <li>9. Thandeka Ndaba</li> <li>10. Tshepo Khuzane</li> <li>11. Dikeledi Sehoole</li> <li>12. Zandi Khanyile</li> <li>13. Nonceba Shayimba</li> <li>14. Selby Lungwati</li> <li>15. Dudu Ngubeni</li> <li>16. Busisiwe Mhlungu</li> <li>17. Celiwe Vuzani</li> </ol>
			<ol style="list-style-type: none"> <li>18. Suzan Makhubu</li> <li>19. Lebohang Mphathi</li> <li>20. Lucia Mogapeni</li> <li>21. Connie Munzhedzi</li> <li>22. Maureen Nkogatsi</li> <li>23. Linah Sithole</li> <li>24. Palesa Mawele</li> <li>25. Lebohang Mahelehele</li> <li>26. Jimmy Mathibela</li> </ol> <p><b>Nominated JHB head office</b></p> <ol style="list-style-type: none"> <li>27. Rejoice Matlala</li> <li>28. Nobayeni Velaphi</li> </ol> <p><b>Nominated Sedibeng office</b></p> <ol style="list-style-type: none"> <li>29. Hlomisi Moloi</li> <li>30. Maki Mokoena</li> <li>31. Oupa Matinye</li> <li>32. Gugulethu Sithole</li> <li>33. Puleng Lesita</li> <li>34. Themba Lekhuleni</li> <li>35. Sinazo Dingizweni</li> </ol> <p><b>Nominated Springs office</b></p> <ol style="list-style-type: none"> <li>36. Lihle Sibiya</li> </ol>



Question	Yes	No	Details, if yes
<p>5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.</p>	√		<p>The Department has planned to review the following policies to ensure that they align to the goals of the new National Strategic Plan for HIV, AIDS, STI &amp; TB (NSP 2023-2028) and mental health strategy which strives for prevention, care and support and protection of employees against ,HIV, AIDS, TB, STI infection and to achieve Mental health solutions:</p> <ul style="list-style-type: none"> <li>• HIV, STI and TB Management</li> <li>• Wellness Management</li> <li>• SHERQ Management</li> <li>• Health and Productivity Management</li> <li>• Smoking policy</li> <li>• Medical surveillance Policy</li> <li>• Physical wellness policy</li> <li>• Substance abuse policy</li> </ul>
<p>6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.</p>	√		<ul style="list-style-type: none"> <li>• HIV, STI and TB Management</li> <li>• Policy is implemented to mitigate against stigma and discrimination.</li> <li>• Male and female dialogues addressing HIV, STI, TB, Mental health, financial wellness, and other chronic health issues were implemented in September 2023, November 2023 and February 2024.</li> <li>• Awareness and education on HIV, STI and TB treatment adherence and counselling was conducted in February 2024.</li> <li>• Information on EAP support provided to employees infected and affected by HIV/STI and TB is shared as part of employee induction of new employee. Information on HIV, STI and TB vulnerabilities is shared with employees as per the health calendar.</li> <li>• Anonymous and voluntary health screenings including HIV Counselling and Testing services are provided through partnership with external service providers and GEMS were conducted in November 2024.</li> <li>• Disclosure management and support for employees who tested HIV positive.</li> </ul> <p>The Department has procured psychosocial services through an external provider (Life Health Solutions) in support of employees who are struggling with life issues including living with HIV/AIDS and TB. The services guarantee privacy, confidentiality, and convenience to provide support and management of the disease.</p>



Question	Yes	No	Details, if yes
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	√		<p>Voluntary Counselling and Testing is planned and conducted twice a year as part of Health screenings.</p> <ul style="list-style-type: none"> <li>A total of 208 employees participated in health screenings including HCT in (110) in May and (172) in November 2023</li> </ul>
8. Has the Department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	√		<p><b>The following measures/ indicators have been developed:</b></p> <ul style="list-style-type: none"> <li>Number of employees participating in health education and advocacy programmes.</li> <li>Number of employees reached with health screenings and onsite testing services.</li> <li>Number of reached with health and wellness awareness sessions.</li> <li>Reduced number of communicable and non-communicable illness in the Department.</li> <li>Number of employees assessed and referred for management of psychosocial stressors.</li> <li>Number of policies and programmes reviewed and implemented.</li> <li>Number of Employees trained/ reached with health and wellness information.</li> <li>Number of work-related risks identified and assessed.</li> </ul>



### 3.12 Labour Relations

**Table 3.12.1 Collective agreements for the period 1 April 2023 and 31 March 2024 (LR)**

Subject matter	Date
<b>Total number of Collective agreements</b>	<b>3</b>

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 2023 and 31 March 2024(LR)**

Outcomes of disciplinary hearings	Number	% of total
Corrective counselling	3	3%
Verbal warning	23	26%
Written warning	19	22%
Final written warning	10	12%
Suspended without pay	2	2%
Dismissal/terminations	12	14%
Not guilty	-	
Case withdrawn	5	6%
Case Closed	13	15%
<b>Total</b>	<b>87</b>	<b>100%</b>

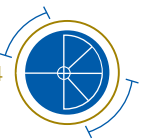
- The outcomes above are inclusive of cases concluded progressively.

<b>Total number of Disciplinary hearings finalised</b>	<b>6</b>
<b>Total Number of Dismissal by operational of law</b>	<b>8</b>

**Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2023 and 31 March 2024(LR)**

Type of misconduct	Number	% of total
Failure to comply with Act/Procedure	12	13%
Dereliction of Duties	2	2%
Absenteeism/Abscondment	40	43%
Failure to carry lawful instructions	7	8%
Misrepresentation	1	1%
Improper behaviour	7	8%
Theft	2	2%
Negligence	1	1%
Assault	2	2%
Failure to attend meeting	12	13%
Doing business with state	2	2%
Working under influence of alcohol	3	4%
Harassment	1	1%
<b>Total</b>	<b>92</b>	<b>100%</b>

- 5 officials had 2 allegations of misconduct.

**Table 3.12.4 Grievances logged for the period 1 April 2023 and 31 March 2024(LR)**

Grievances	Number	% of Total
Number of grievances resolved	55	92%
Number of grievances not resolved	5	8%
<b>Total number of grievances lodged</b>	<b>60</b>	<b>100%</b>

**Table 3.12.5 Disputes logged with Councils for the period 1 April 2023 and 31 March 2024(LR)**

Disputes	Number	% of Total
Number of disputes upheld	3	23%
Number of disputes dismissed	3	23%
Number of disputes pending	7	54%
<b>Total number of disputes lodged</b>	<b>13</b>	<b>100%</b>

**Table 3.12.6 Strike actions for the period 1 April 2023 and 31 March 2024(LR)**

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

**Table 3.12.7 Precautionary suspensions for the period 1 April 2023 and 31 March 2024(LR)**

<b>Number of people suspended</b>	<b>9</b>	
Number of people whose suspension exceeded 30 days	8	
Average number of days suspended	254	
<b>Cost of suspension(R'000)</b>	<b>R 7 363 194.70</b>	

### 3.13 Skills Development

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

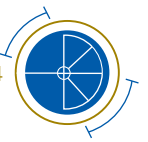
**Table 3.13.1 Training needs identified for the period 1 April 2023 and 31 March 2024**

Occupational category	Gender	Number of employees as at 1 April 2023	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	36	4	<b>40</b>
	Male	38	0	26	7	<b>33</b>
Professionals	Female	45	0	101	41	<b>142</b>
	Male	100	0	106	44	<b>150</b>
Technicians and associate professionals	Female	154	0	72	28	<b>100</b>
	Male	187	0	99	33	<b>132</b>
Clerks	Female	279	0	293	109	<b>402</b>
	Male	183	0	171	55	<b>226</b>
Semi-Skilled	Female	0	0	0	0	<b>0</b>
	Male	0	0	0	0	<b>0</b>

Occupational category	Gender	Number of employees as at 1 April 2023	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	<b>0</b>
	Male	0	0	0	0	<b>0</b>
Craft and related trades workers	Female	109	0	86	42	<b>128</b>
	Male	438	0	171	62	<b>233</b>
Plant and machine operators and assemblers	Female	125	0	3	8	<b>11</b>
	Male	289	0	3	14	<b>17</b>
Elementary occupations	Female	219	0	109	64	<b>173</b>
	Male	286	0	70	51	<b>121</b>
<b>Sub Total</b>	<b>Female</b>	<b>956</b>	<b>0</b>	<b>700</b>	<b>296</b>	<b>996</b>
	<b>Male</b>	<b>1521</b>	<b>0</b>	<b>646</b>	<b>266</b>	<b>912</b>
<b>Total</b>		<b>2477</b>	<b>0</b>	<b>1346</b>	<b>562</b>	<b>1 908</b>

**Table 3.13.2 Training provided for the period 1 April 2023 and 31 March 2024**

Occupational category	Gender	Number of employees as at 1 April 2023	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	4	<b>22</b>
	Male	38	0	32	7	<b>39</b>
Professionals	Female	45	0	101	41	<b>142</b>
	Male	100	0	106	44	<b>150</b>
Technicians and associate professionals	Female	154	0	72	28	<b>100</b>
	Male	187	0	99	33	<b>132</b>
Clerks	Female	279	0	293	109	<b>402</b>
	Male	183	0	171	55	<b>226</b>
Semi-Skilled	Female	0	0	0	0	<b>0</b>
	Male	0	0	0	0	<b>0</b>
Skilled agriculture and fishery workers	Female	0	0	0	0	<b>0</b>
	Male	0	0	0	0	<b>0</b>
Craft and related trades workers	Female	109	0	86	82	<b>168</b>
	Male	438	0	187	62	<b>249</b>
Plant and machine operators and assemblers	Female	125	0	25	8	<b>33</b>
	Male	289	0	63	14	<b>77</b>
Elementary occupations	Female	219	0	109	64	<b>173</b>
	Male	286	0	70	51	<b>121</b>
<b>Sub Total</b>	<b>Female</b>	<b>956</b>	<b>0</b>	<b>704</b>	<b>336</b>	<b>1040</b>
	<b>Male</b>	<b>1521</b>	<b>0</b>	<b>712</b>	<b>286</b>	<b>998</b>
<b>Total</b>		<b>2477</b>	<b>0</b>	<b>1416</b>	<b>622</b>	<b>2038</b>



### 3.13 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 2023 and 31 March 2024**

Nature of injury on duty	Number	% of total
<b>Required basic medical attention only</b>	32	100
<b>Temporary Total Disablement</b>	0	0
<b>Permanent Disablement</b>	0	0
<b>Fatal</b>	0	0
<b>Total</b>	<b>32</b>	<b>100</b>

### 3.14 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 2023 and 31 March 2024**

Project title	Total number of consultants that worked on project	Duration (workdays)	Contract value in Rand
Appointment of probity auditors to quality assure the SCM processes on BSC and BEC	7 - Rain Chartered Accountants (Pty) Ltd, Rakoma and Associates, Nakede Management Services, Tholisiwe Chartered Accountants, Tic and Mend, SAB and T Chartered Accountants, A2A Kopano	-	R13 735 236.50
Training external according to spec	29 - I CAN 4 IR, Enerhu Business Enterprise, Institute of Energy Professionals A, Trainers Without Borders CC, P C D College CC, Savior Management Training, Pakanyo Trading, Acute Training Management Services, ABM Dynamic Solutions, Ntandoyami Trading 88, Pam's Educational Consultancy, Ambroser Solutions,	-	R25 678 797.28

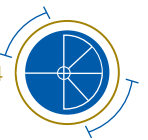


Project title	Total number of consultants that worked on project	Duration (workdays)	Contract value in Rand
	Ekurhuleni Artisans and Skills Training, F and O Deliveries, Artisan Development College, Afric Training Centre and Security, Bravorox 125, Africa Skills Village (Training), Training B2B, BPO Skills Academy, Khumo-Matlo Training and Projects, Paskwa, Gleyding Management Institute, Isisekelo Training Solutions, F and O Deliveries, Peakford Management Consultants, Enterprises University of Pretoria, Silalele Skills Academy, Kalideen Management Services	-	
Personnel recruitment for competency ass	1 - Bvuyiselo Consulting	-	R74,685.00
Legal cost according to spec	2 - Manku Moalusi Sehoana Malatji and Co	-	R1 181 959.15
Research study accord to spec	1 – Procurement Dynamics	-	R65 530.00
Audit service fees	1 – Solid Green Consulting	-	R90 687.15

Total number of projects	Total individual consultants	Total duration Workdays	Total contract value in Rand
6	41	-	R40 826 895.08

**Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2023 and 31 March 2024: PSPs - construction related services**

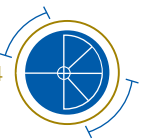
Project title	Total number of consultants that worked on project	Contract value in Rand
Women's Living Heritage Monument	3	R 0.00
Roodekop Primary School	1	R 1,894,623.47
Mthimkulu Primary School	3	R 0.00
Relebogile Secondary School	2	R 0.00
Khuthala Primary School	4	R 0.00
Emergency repairs and related works for hostels in Gauteng	6	Paid through Gauteng Department of Human Settlements
Laerskool Delville	1	R 210 855.72
Boksburg Quality Assurance Building	5	R 0.00
Laerskool Frikkie Meyer	1	R 0.00



Project title	Total number of consultants that worked on project	Contract value in Rand
Dr Fabian & Florence Ribeiro Treatment Centre.	1	R 0.00
Walter Sisulu CYCC	1	R 0.00
Rivoningo Primary School	2	R 0.00
Badirile Primary School	2	R 0.00
Boiteko Primary School	3	R 0.00
Kamohelo Primary School	4	R 0.00
Khutsong South Primary School	2	R 0.00
Merafong Primary School	2	R 0.00
Tsitsiboga Primary School	1	R 0.00
Nayaboswa Primary School	2	R 0.00
Mbulelo Primary School	1	R 0.00
Hlanganani Primary School	2	R 0.00
Gauteng Provincial Government GPG Buildings	1	R 981,573.32
Themba, Heidelberg, Vereeniging, Derdepoort, Koedoespoort , Bronkhorstspuit and Krugersdorp Regional Office	1	R 399,625.00
Masakhane Primary School	5	R 0.00
Motjibosane Primary School	2	R 0.00
Namo Primary School	4	R 0.00
Blue Eagle High School	3	R 0.00
Fatlhogang Primary School	5	R 0.00
Kliptown Primary School	3	R 0.00
Ntsele Primary School	1	R 0.00
Tokelo Secondary School	1	R 0.00
Carter Primary School	2	R 0.00
Realeboha Primary School	2	R 0.00
Encochoyini Primary School	2	R 0.00
Cosmo City Junior Primary School	2	R 0.00
Kodumela Primary School	1	R 0.00
Cosmo City Primary No1 School	2	R 0.00
Vezukhono Secondary School	2	R 0.00
Modilati Secondary School	1	R 0.00
Tshwane West District Office	2	R 0.00
Phororong Primary School	1	R 0.00
Library at Corner Nana Sita & Lilian Ngoyi Street GDE	1	R 0.00
GDID	2	R 2 138 781.00
GPG Facilities	10	R 17,264,857.00
Provincial Integrated Command Centre	1	R 862,403.22
Portion 535 and 538 of the Farm 388-JR and Township Development Application	1	R 0.00
Rodney Mokoena Preparatory School	1	R 0.00

Project title	Total number of consultants that worked on project	Contract value in Rand
Dolomite Risk Management and Strategy in the Province	1	R 0.00
Mullerstuine Community Library	2	R 0.00
Human Settlements Westgate, Diamond, and Silver Flats in Eldorado Park	1	Paid through Gauteng Department of Human Settlements
Hercules Warehouse	1	R 0.00
Eagle's Nest Housing Project	1	Paid through Gauteng Department of Human Settlements
Holding 115 Erand Agricultural Holding Extension 1	1	R 0.00
Hoërskool Birchleigh	3	R 0.00
Reitvallei Secondary School	1	R 0.00
Johannesburg Inner City Hostel Precinct	1	Paid through Gauteng Department of Human Settlements
Informal Settlements for Department Human Settlements	11	Paid through Gauteng Department of Human Settlements
SANDF Military Base, Lenasia	1	R 0.00
ERF 7862 Stinkwater Ext 7 with Portion 1 of ERF 8224 Stinkwater Ext 7	1	R 0.00

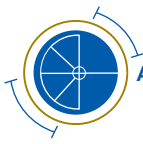
Total number of projects	Total individual consultants	Total contract value in Rand
<b>64</b>	<b>134</b>	<b>R 22,679,459.79</b>



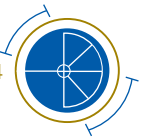
**Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 and 31 March 2024 goods and services**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Appointment of probity auditors to quality assure the SCM processes on BSC and BEC	<p><b>Rain Chartered Accountants</b> 100%Black 0%Women 0%Youth 0%Disability QSE</p> <p><b>Tic and Mend</b> 100%Black 0%Women 0%Youth 0%Disability EME</p> <p><b>Nakede Management Services</b> 100%Black 0%Women 0%Youth 0%Disability EME</p> <p><b>Tholisiwe Chartered Accountants</b> 100%Black 100%Women 0%Youth 0%Disability EME</p> <p><b>Rakoma &amp; Associates</b> 95%Black 17%Women 0%Youth 0%Disability Generic</p>	-	7



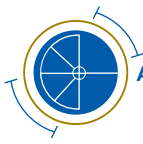


Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
	<p><b>Sab &amp; T Chartered Accountants</b>            90% Black            48% Women            0% Youth            0% Disability            Generic</p> <p><b>2A Kopano</b>            76% Black            19% Women            0% Youth            0% Disability            Generic</p>		
<p>Training external according to spec</p>	<p><b>I CAN 4 IR</b>            100% Black            60% Women            0% Youth            0% Disability            EME</p> <p><b>Training B2B</b>            100% Black            100% Women            100% Youth            0% Disability            EME</p> <p><b>Africa Skills Village</b>            51% Black            26% Women            0% Youth            0% Disability            QSE</p> <p><b>Ambroser Solutions</b>            100% Black            100% Women            100% Youth            0% Disability            EME</p>	<p>-</p>	<p>29</p>

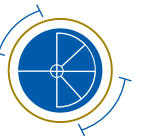


Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
	<p><b>Enerhu Business Enterprise</b>            100%Black            0%Women            0%Youth            0%Disability            EME</p> <p><b>Institute of Energy</b>            Professionals            40%Black            20%Women            100%Youth            0%Disability            EME</p> <p><b>Trainers Without Borders CC</b>            100%Black            0%Women            0%Youth            0%Disability            EME</p> <p><b>P C D College CC</b>            0%Black            0%Women            0%Youth            0%Disability            QSE</p> <p><b>Savior Management Training</b>            100%Black            100%Women            0%Youth            0%Disability            EME</p> <p><b>Pakanyo Trading</b>            100%Black            0%Women            0%Youth            0%Disability            EME</p>		



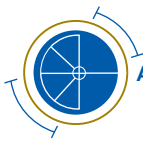


Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
	<p><b>Acute Training Management Services</b>            100%Black            100%Women            0%Youth            0%Disability            EME</p> <p><b>ABM Dynamic Solutions</b>            100%Black            100%Women            0%Youth            0%Disability            EME</p> <p><b>Ntandoyami Trading 88</b>            100%Black            100%Women            100%Youth            0%Disability            EME</p> <p><b>Pam’s Educational Consultancy</b>            100%Black            100%Women            100%Youth            0%Disability            EME</p> <p><b>Ekurhuleni Artisans and Skills Training</b>            100%Black            0%Women            100%Youth            0%Disability            QSE</p> <p><b>F and O Deliveries</b>            51%Black            51%Women            0%Youth            0%Disability            EME</p>		

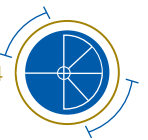


Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
	<p><b>Artisan Development College</b>            100%Black            80%Women            0%Youth            0%Disability            EME</p> <p><b>Afric Training Centre and Security</b>            100%Black            0%Women            0%Youth            0%Disability            EME</p> <p><b>Bravorox 125</b>            100%Black            100%Women            0%Youth            0%Disability            EME</p> <p><b>Africa Skills Village (Training)</b>            51%Black            26%Women            0%Youth            0%Disability            QSE</p> <p><b>BPO Skills Academy</b>            100%Black            100%Women            0%Youth            0%Disability            EME</p> <p><b>Khumo-Matlo Training and Projects</b>            100%Black            0%Women            0%Youth            0%Disability            EME</p>		





Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
	<p><b>Paskwa</b>            100%Black            100%Women            0%Youth            0%Disability            EME</p> <p><b>Gleyding Management Institute</b>            100%Black            0%Women            0%Youth            0%Disability            EME</p> <p><b>Isisekelo Training Solutions</b>            100%Black            0%Women            0%Youth            0%Disability            EMEs</p> <p><b>F and O Deliveries</b>            51%Black            51%Women            0%Youth            0%Disability            EME</p> <p><b>Peakford Management Consultants,</b>            100%Black            0%Women            0%Youth            0%Disability            EME</p> <p><b>Enterprises University of Pretoria</b>            47%Black            28%Women            41%Youth            0%Disability            EME</p>		



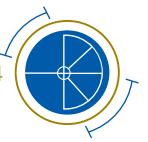
Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
	<p><b>Silalele Skills Academy</b> 100%Black 50%Women 0%Youth 0%Disability EME</p> <p><b>Kalideen Management Services</b> 100%Black 50%Women 0%Youth 0%Disability EME</p>		
Personnel recruitment for competency ass	<p><b>Bvuyiselo Consulting</b> 100%Black 100%Women 0%Youth 0%Disability EME</p>	-	1
Legal cost according to spec	<p><b>Manku Moalusi Sehoana</b> 100%Black 0%Women 0%Youth 0%Disability EME</p> <p><b>Malatji and Co</b> 70%Black 30%Women 0%Youth 0%Disability QSE</p>	-	2
Research study accord to spec	<p><b>Procurement Dynamics</b> 100% Black 0%Women 0%Youth 0%Disability EME</p>	-	1



Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Audit service fees	<b>Solid Green Consulting</b> 53%Black 30%Women 0%Youth 0%Disability Generic	-	1

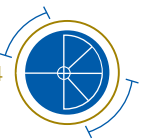
**Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 and 31 March 2024 PSP- Construction related services**

Project title	Percentage ownership by HDI groups		Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Women's Living Heritage Monument	Ngoti Development Consultants	Black: 100%	-	3
	Torong Consult	Black: 100%, Youth: 100% Black Woman: 77%	-	
	Keo Group (Pty) Ltd	Black: 100%, Youth: 100%, Black Woman: 100%	-	
Roodekop Primary School	Ralema Consulting	Black: 100%, Township/rural underdeveloped areas: Yes	-	1
Mthimkulu Primary School	Nothule Solutions	Black: 100%, Black Woman: 100%	-	3
	A-M Consulting Engineers (Pty) Ltd	Black: 100%, Youth: 20%, Black Woman: 40%	-	
	Zenckon Engineers (Pty) Ltd	Black: 100%	-	
Relebogile Secondary School	King & Associates Engineering	Black: 100%, Black Woman: 20%	-	2
	Ralema Consulting	Black: 100%, Township/rural underdeveloped areas: Yes	-	



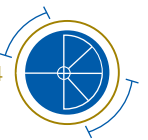
Project title	Percentage ownership by HDI groups		Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Khuthala Primary School	HDM Engineering (Pty) Ltd	Black: 100%, Black Woman: 51%	-	4
	LDM Consulting (Pty) Ltd	Black: 100%, Black Woman: 9%	-	
	Kago Consulting Engineers	Black: 100%, Black Woman: 60%, Youth: 60%	-	
	Vish Services	Black: 100%, Youth: 100%	-	
Emergency repairs and related works for hostels in Gauteng	Bahlaping Consulting	Black: 100%, Youth: 100%	-	6
	TM Khati Trade and Projects Pty Ltd	Black: 100%	-	
	Ditibane Investment Holdings/ DTI	Black: 100%, Youth: 50%	-	
	SCIP Engineering Group Pty Ltd	Black: 51%, Black Woman: 36%	-	
	Durapi Consulting Pty Ltd	Black: 100%, Black Woman: 35%, Youth: 25%	-	
	DNA Land Use Consultants	Black: 100%	-	
Laerskool Delville	Ralema Consulting	Black: 100%, Township/rural underdeveloped areas: Yes	-	1
Boksburg Quality Assurance Building	Thenga Holdings (Pty) Ltd	Black: 100%, Youth: 100%, Black Woman: 100%	-	5
	Kwena-Monareng Investments	Black: 100%, Black Woman: 100%	-	
	A-M Consulting Engineers (Pty) Ltd	Black: 100%, Youth: 20%, Black Woman: 40%	-	
	MKSA Holdings (Pty) Ltd	Black: 100%	-	
	King & Associates Engineering	Black: 100%, Black Woman: 20%	-	
Laerskool Frikkie Meyer	Impumelelo Consulting Engineers (Pty) Ltd	Black: 100%, Black Woman: 10%	-	1
Dr Fabian & Florence Ribeiro Treatment Centre.	Zenckon Engineers (Pty) Ltd	Black: 100%	-	1

Project title	Percentage ownership by HDI groups		Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Walter Sisulu CYCC	Thenga Holdings (Pty) Ltd	Black: 100%, Youth: 100%, Black Woman: 100%	-	1
Rivoningo Primary School	A-M Consulting Engineers (Pty) Ltd	Black: 100%, Youth: 20%, Black Woman: 40%	-	2
	Moonlite Engineering Consultancy	Black: 100%, Youth: 100%,	-	
Badirile Primary School	AES Consulting	Black: 100%, Black Woman: 50%	-	2
	Ditibane Investment Holdings/ DTI	Black: 100%, Youth: 50%	-	
Boiteko Primary School	Akwethu Engineering and Development (Pty) Ltd	Black: 100%	-	3
	Thato Ya Bogotsi Investment CC	Black: 100%	-	
	Ngoti Development Consultants	Black: 100%	-	
Kamohelo Primary School	Akwethu Engineering and Development (Pty) Ltd	Black: 100%	-	4
	Limgroup Consulting Services	Black: 100%	-	
	ECA Consulting (Pty) Ltd	Black: 59%, Black Woman: 10%	-	
	Ngoti Development Consultants	Black: 100%	-	
Khutsong South Primary School	Ditibane Investment Holdings/ DTI	Black: 100%, Youth: 50%	-	2
	Elignoba & Associates (Pty) Ltd	Black: 100%	-	
Merafong Primary School	Ditibane Investment Holdings/ DTI	Black: 100%, Youth: 50%	-	2
	Phunga Consulting	Black: 100%	-	



Project title	Percentage ownership by HDI groups		Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Tsitsiboga Primary School	Ditibane Investment Holdings/ DTI	Black: 100%, Youth: 50%	-	2
	Four Miles Engineers	Black: 100%, Black Woman: 20%	-	
Nayaboswa Primary School	Kiwango Infrastructure and Development (Pty) Ltd	Black: 100%	-	2
	TM Khati Trade and Projects Pty Ltd	Black: 100%	-	
Mbulelo Primary School	Oarona Consulting and Engineering (Pty) Ltd	Black: 100%, Youth: 100%	-	1
Hlanganani Primary School	Thenga Holdings (Pty) Ltd	Black: 100%, Youth: 100%, Black Woman: 100%	-	2
	ECA Consulting (Pty) Ltd	Black: 59%, Black Woman: 10%	-	
Gauteng Provincial Government GPG Buildings	Mutec Construction Engineers Project Managers and Construction	Black: 33%, Youth: 33%	-	1
Themba, Heidelberg, Vereeniging, Derdepoort, Koedoespoort, Bronkhorstspuit and Krugersdorp Regional Office	Superior Quality Engineering and Technologies	Black: 100%	-	1
Masakhane Primary School	Aspire Architects (Pty) Ltd	Black: 100%	-	5
	Copper Eagle Trading 684	Black: 100%	-	
	Isithelo Facilities Management (Pty) Ltd	Black: 100%, Youth: 100%, Black Woman: 100%	-	
	DNA Land Use Consultants	Black: 100%	-	
	Margad Group (Pty) Ltd	Black: 100%, Black Woman: 50%	-	
Motjibosane Primary School	MJT Consulting Engineers	Black: 100%	-	2
	Four Miles Engineers	Black: 100%, Black Woman: 20%	-	

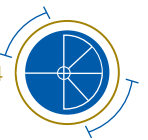
Project title	Percentage ownership by HDI groups		Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Namo Primary School	Etilweni (Pty) Ltd	Black: 100%	-	4
	AES Consulting	Black: 100%, Black Woman: 50%	-	
	Aspire Architects (Pty) Ltd	Black: 100%	-	
	BVI Consulting Engineers Gauteng Pty) Ltd	Black: 53%, Black Woman: 19%	-	
Blue Eagle High School	Etilweni (Pty) Ltd	Black: 100%	-	3
	Kabe Consulting Engineers	Black: 100%, Black Woman: 50%	-	
	Gosiame Development Consultants	Black: 100%, Black Woman: 51%	-	
Fatlhogang Primary School	MPM Architects	Black: 100%, Black Woman: 100%	-	5
	Copper Eagle Trading 684	Black: 100%	-	
	Etilweni (Pty) Ltd	Black: 100%	-	
	Epitome Consulting	Black: 100%, Black Woman: 60%	-	
	Tlou Integrated Tech Cc	Black: 100%	-	
Kliptown Primary School	TM Khati Trade and Projects (Pty) Ltd	Black: 100%	-	3
	Durapi Consulting Pty Ltd	Black: 100%, Youth: 25%, Black Woman: 35%	-	
	Prince Infrastructure	Black: 100%, Black Woman: 100%	-	
Ntsele Primary School	ECA Consulting (Pty) Ltd	Black: 59%, Black Woman: 10%	-	1
Tokelo Secondary School	ECA Consulting (Pty) Ltd	Black: 59%, Black Woman: 10%	-	1
Carter Primary School	Durapi Consulting Pty Ltd	Black: 100%, Youth: 25%, Black Woman: 35%	-	2
	Prince Infrastructure	Black: 100%, Black Woman: 100%	-	



Project title	Percentage ownership by HDI groups		Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Realeboha Primary School	Oarona Consulting & Engineering (Pty) Ltd	Black: 100%, Youth: 100%	-	2
	Phiri and Nyoni Projects	Black: 100%, Black Woman: 70%	-	
Encochoyini Primary School	Boffin & Fundi (Pty) Ltd	Black: 100%	-	2
	DNA Land Use Consultants	Black: 100%,	-	
Cosmo City Junior Primary School	MJT Consulting Engineers	Black: 100%	-	2
	King & Associates Engineering & Project manages (Pty) Ltd	Black: 100%, Black Woman: 20%	-	
Kodumela Primary School	Snethemba Consultants (Pty)	Black: 100%, Youth: 100%	-	1
Cosmo City Primary No1 School	Torong Consult	Black: 100%, Youth: 100%, Black Woman: 77%	-	2
	Tlou Integrated Tech Cc	Black: 100%	-	
Vezukhono Secondary School	BC Baithusi Consulting Cc	Black: 100%	-	2
	HDM Engineering	Black: 100%, Black Woman: 51%	-	
Modilati School	Moditi Consulting	Black: 100%	-	1
Tshwane West District Office	MJT Consulting Engineers	Black: 100%	-	2
	Ditlou Consulting Engineers	Black: 100%	-	
Phororong Primary School	Ngoti Development Consultants	Black: 100%	-	1
Library at Corner Nana Sita & Lilian Ngoyi Street GDE	HDM Engineering	Black: 100%, Black Woman: 51%	-	1
GDID	Moonlite Engineering Consultancy	Black: 100%, Youth: 100%	-	2
	A4 Advisory & Consulting (Pty) Ltd	Black: 100%, Black Woman: 100%	-	



Project title	Percentage ownership by HDI groups		Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
GPG Facilities	Thuso Architects (Pty) Ltd	Black: 100%, Youth: 100%	-	10
	AES Consulting	Black: 100%, Black Woman: 50%	-	
	BC Baithusi Consulting CC	Black: 100%	-	
	Copper Eagle Trading 684	Black: 100%	-	
	DNA Land Use Consultants	Black: 100%	-	
	Four Miles Engineers	Black: 100%, Black Woman: 20%	-	
	Funda Qhama	Black: 100%, Black Woman: 100%	-	
	Kgalawu Consulting	Black: 100%	-	
	Oarona Consulting & Engineering (Pty) Ltd	Black: 100%, Youth: 100%	-	
	Ralema Consulting Engineers	Black: 100%, Township/rural underdeveloped areas: Yes	-	
Provincial Integrated Command Centre	A4 Advisory & Consulting (Pty) Ltd	Black: 100%, Black Woman: 100%	-	1
Portion 535 and 538 of the Farm 388-JR and Township Development Application	Mahlori Development Consultants	Black: 100%	-	1
Rodney Mokoena Preparatory School	Takgalang Consulting CC	Black: 100%	-	1
Dolomite Risk Management and Strategy in the Province	Ngoti Development Consultants	Black: 100%	-	1
Mullerstuine Community Library	TM Khati Trade and Projects (Pty) Ltd	Black: 100%	-	2
	Takgalang Consulting CC	Black: 100%	-	
Human Settlements Westgate, Diamond and Silver Flats in Eldorado Park	Isithelo Facilities Management (Pty) Ltd	Black: 100%, Youth: 100%, Black Woman: 100%	-	1
Hercules Warehouse	Lefika Consulting Engineers	Black: 100%	-	1



Project title	Percentage ownership by HDI groups		Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Eagles Nest Housing Project	Isithelo Facilities Management (Pty) Ltd	Black: 100%, Youth: 100%, Black Woman: 100%	-	1
Holding 115 Erand Agricultural Holding Extension 1	DNA Land Use Consultants	Black: 100%	-	1
Hoërskool Birchleigh	Elignoba & Associates (Pty) Ltd	Black: 100%	-	3
	Princetech Infrastructure and Projects	Black: 100%, Black Woman: 100%	-	
	Impumelelo Consulting Engineers (Pty) Ltd	Black: 100%, Black Woman: 10%	-	
Reitvallei Secondary School	LZM Africa Holdings	Black: 100%	-	1
Johannesburg Inner City Hostel Precinct	Bahlaping Consulting	Black: 100%, Youth: 100%	-	1
Informal Settlements for Department Human Settlements	AES Consulting	Black: 100%, Black Woman: 50%	-	11
	Copper Eagle	Black: 100%	-	
	BC Baithusi	Black: 100%	-	
	Ralema Consulting	Black: 100%, Black Woman: 20%	-	
	Four Miles Engineers	Black: 100%, Township/rural underdeveloped areas: Yes	-	
	Justwight Holdings (Pty) Ltd	Black: 100%, Black Woman: 100%	-	
	CV Chabane and Associates	Black: 100%	-	
	Funda Qhama	Black: 100%, Black Woman: 100%	-	
	TM Khati Trade and Projects	Black: 100%	-	
	Elignoba and Associates	Black: 100%	-	
DNA Land Use Consultants	Black: 100%	-		
SANDF Military Base, Lenasia	A4 Advisory & Consulting (Pty) Ltd	Black: 100%, Black Woman: 100%	-	1
ERF 7862 Stinkwater Ext 7 with Portion 1 of ERF 8224 Stinkwater Ext 7	A4 Advisory & Consulting (Pty) Ltd	Black: 100%, Black Woman: 100%	-	1

**Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2023 and 31 March 2024**

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

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

**Table 3.15.4 Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 and 31 March 2024**

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

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

### 3.15 Severance Packages

**Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2023 and 31 March 2024**

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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>







# Part E

PFMA COMPLIANCE  
REPORT

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

## 1.1 Irregular expenditure

### a) Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	2 177 294	2 019 051
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Irregular expenditure confirmed	130 227	158 243
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable <sup>1</sup>	-	-
Less: Irregular expenditure not recoverable and written off	-	-
<b>Closing balance</b>	<b>2 307 521</b>	<b>2 177 294</b>

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	130 227	158 243
<b>Total</b>	<b>130 227</b>	<b>158 243</b>

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

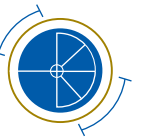
Description <sup>2</sup>	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### c) Details of irregular expenditure condoned

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure condoned	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

1 Transfer to receivables

2 Group similar items



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

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**e) Details of irregular expenditure recoverable**

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure recoverable	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**f) Details of irregular expenditure written off (irrecoverable)**

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure written off	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**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	R'000
Irregular expenditure under assesment*	99 549
<b>Total</b>	<b>99 549</b>

\*The R99 549 million relates to irregular expenditure incurred by the Department of Education on expired leases, DID is conducting an assessment to confirm reasons of non-compliance.

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

Description	2023/2024	2022/2023
	R'000	R'000
Not applicable	-	-
<b>Total</b>		

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

Disciplinary steps taken
Not applicable

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



## 1.2. Fruitless and wasteful expenditure

### a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	48 135	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	11 301	48 135
Less: Fruitless and wasteful expenditure recoverable <sup>4</sup>	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	(59 436)	-
<b>Closing balance</b>	<b>-</b>	<b>48 135</b>

#### Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	11 301	48 135
<b>Total</b>	<b>11 301</b>	<b>48 135</b>

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

Description <sup>5</sup>	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### c) Details of fruitless and wasteful expenditure recoverable

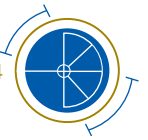
Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure recoverable	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off	59 436	-
<b>Total</b>	<b>59 436</b>	<b>-</b>

4 Transfer to receivables

5 Group similar items



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

Disciplinary steps taken
Not applicable
Total

## 1.3. Unauthorised expenditure

### a) Reconciliation of unauthorised expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable <sup>6</sup>	-	-
Less: unauthorised not recoverable and written off <sup>7</sup>	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Unauthorised expenditure that was under assessment	-	-
Unauthorised expenditure that relates to the prior year and identified in the current year	-	-
Unauthorised expenditure for the current year	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

Description	2023/2024	2022/2023
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

6 Transfer to receivables

7 This amount may only be written off against available savings

## 1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii)<sup>8</sup>

### a) Details of material losses through criminal conduct

Description	2023/2024	2022/2023
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### b) Details of other material losses

Description	2023/2024	2022/2023
	R'000	R'000
Not applicable	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### c) Other material losses recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Not applicable	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

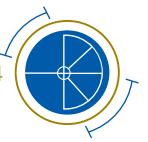
### d) Other material losses not recoverable and written off

Description	2023/2024	2022/2023
	R'000	R'000
Not applicable	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## 2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	151	328 182
Invoices paid within 30 days or agreed period	151	328 182
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period ( <b>unpaid and without dispute</b> )	-	-
Invoices older than 30 days or agreed period ( <b>unpaid and in dispute</b> )	-	-

<sup>8</sup> Information related to material losses must be disclosed in the annual financial statements.



### 3. SUPPLY CHAIN MANAGEMENT

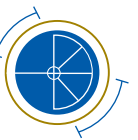
#### 3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Purchase of portion 75 Farm 322 Misgund for educational purposes on behalf of Gauteng Department of Education at Naturena Secondary School	Anmar Investments CC	Deviation from competitive bidding	Not applicable	R4 826 400.00
Provision of 52 mobile units for Nancefield Primary School	Kwikspace Modular Buildings	Deviation from competitive bidding	Not applicable	R4 555 794.00
Renewal of Autodesk AEC licences	Baker Baynes	Deviation from competitive bidding	Not applicable	R2 486 871.00
<b>Total</b>				<b>R11 869 065.00</b>

#### 3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value R'000	Value of previous contract expansion/s or variation/s (if applicable) R'000	Value of current contract expansion or variation R'000
OHS statutory compliance for refurbishment at Thusanong Building	Mbali Industrial Solutions	Variation	DID 03/06/2019	R35,081,245.46	R677,013.97	R196,329.05
Conversion of Mandisa Shiceka Clinic to a Community Day Clinic	Thaw Trading and Investments	Variation	DID 43/11/2016	R113,992,518.00	R0.00	R2,550,000.00
Emergency refurbishment to the maternity ward and the residence	Temi Construction	Variation	DID 33/02/2018	R280,805,000.00	R49,310,290.72	R 15,425,006.88
Emergency repairs and related work at 59 hostels in Gauteng	Various PSPs	Variation	N/A	R333,019,154.44	R0.00	R34,220,000.00

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
				R'000	R'000	R'000
Restorative repairs of Hoërskool Tegniese, Springs	Sunrise Electrical Wholesalers later named Shomang Construction	Variation	TBC	R15,299,962.10	R0.00	R3,049,855.43
Restorative repairs and upgrades to Ribane Laka Secondary School	Thembeke Construction	Variation	DID 36/07/2020	R128,886,979.10	R0.00	R18,446,512.10
Design, engineering, procurement, construction, furnish and delivery of new Kekanastad Clinic	Ascul Construction	Variation	DID 142/08/2015	R53,502,056.15	R4,232,323.01	R8,312,759.79
Upgrade and additions to LG Holele Secondary School	Thaw Construction (Pty) Ltd	Variation		R110,392,762.34	R0.00	R8,353,086.16
Refurbishment and upgrades to Inkululeko Yesizwe Primary School	QDS Projects	Variation	DID 30/02/2020	R135,003,142.55	R1,075,203.18	R0.00
Kopanong Hospital- 300 ICU beds COVID-19	Condocor (Pty) Ltd	Variation	N/A	R208,250,000.35	R25,228,022.09	R24,842,346.36
Rehabilitation and refurbishment of Laerskool Uniefees	Nkateko Group (Pty) Ltd	Variation	DID 22/11/2021	R8,838,923.10	R0.00	R1,281,714.54
Rehabilitation and refurbishment of Laerskool Uniefees	Nkateko Group (Pty) Ltd	Variation	DID 22/11/2021	R8,838,923.10	R0.00	R901,862.16
Design, Construction and commissioning of hospital facility (300 ICU Units)	Shomang Construction	Variation	N/A	R233,590,803.00	R105,936,915.18	R24,842,346.71



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
				R'000	R'000	R'000
Construction of Randfontein CHC	Delta QS	Variation	DID 06/05/2018	R4,227,965.13	R0.00	R4,586,792.70
Design, construction and commissioning of hospital facility (300 ICU Units) at Jubilee Hospital.	Concor Construction (Pty) Ltd	Variation	N/A	R268,095,000.00	R25,973,947.92	R42,399,496.60
OHS statutory compliance refurbishment at 75 Fox Building	Solmix (Pty) Ltd	Variation	DID 02/06/2019	R50,282,830.91	R4,973,456.23	-R2,871,066.47
Restorative repairs of Nurses residences and creche	Raubex Builders	Variation	DID 03/05/2017	R301,509,824.57	R53,626,959.60	R45,428,358.41
Upgrading and additions to Refithlile Pele Primary School	TBM Infrastructure	Variation	DID 61/03/2021	R95,498,897.16	R0.00	R8,707,236.13
Construction of Randfontein CHC	Gibb (Pty) Ltd	Variation	DID 06/05/2018	R4,000,000.00	R0.00	R3,475,270.78
Construction of new office accommodation at Garankuwa CYCC	Cheune Matlala	Variation	DID 153/09/2015	R26,146,650.20	R0.00	R240,290.00
Building Plumbing and waterproofing repairs at Corner House	Elegant Line Trading	Variation	N/A	R434,834.78	R0.00	R20,856.21
Construction of New Grade R classroom block at Chokoe Primary School	Faya-Combo (Pty) Ltd	Variation	DID 06/07/2019	R10,975,253.04	R0.00	R521,236.82

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
				R'000	R'000	R'000
Construction of a new replacement Smart School at Simunye Secondary School	Themane Management Consulting	Variation	DID 07/08/2021	R123,517,861.66	R0.00	R28,638,736.34
Request for approval of extension of lease contract for mobile classroom units for Nancefield Primary School for a period of three months	Thovu Construction Group	Variation	N/A	R4 665 260.60	R0.00	R1 287 968.00
<b>TOTAL</b>				<b>R2 889 162 903.89</b>	<b>R252,309,619.32</b>	<b>R340,392,386.32</b>









# Part | F

FINANCIAL  
INFORMATION

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

## I 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 168 to 225, which comprise the appropriation statement, statement of financial position as at 31 March 2024, 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 2024 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 2023 (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 matters

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

### Material uncertainty

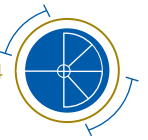
7. With reference to note 17.1 of the financial statements, the department is the defendant in various claims. The ultimate outcome of the matters could not be determined and no provision for any liability that may result was made in the financial statements.

### Other matters

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

### Unaudited supplementary schedules

9. The supplementary information set out on pages 226 to 232 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.



### **Responsibilities of the accounting officer for the financial statements**

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

### **Responsibilities of the auditor-general for the audit of the financial statements**

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 11, forms part of my auditor's report

### **I Report on the audit of the annual performance report**

14. In accordance with the Public Audit Act 25 of 2004 (PM) 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.



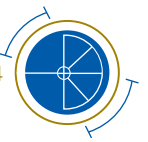
15. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Public works infrastructure	44	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.
Expanded programme public works	60	The purpose of Expanded Public Works Programme (EPWP) is to co-ordinate 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, which a nationwide programme is 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 onto the EPWP reporting system and all budgetary and project management principles therefore remains the responsibility of each reporting body.

16. 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.

17. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.



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

### Achievement of planned targets

20. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements.
21. 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
<b>Public Works Infrastructure</b>		
<i>Targets achieved: 67%</i>		
<i>Budget spent: 99,5%</i>		
Number of Properties sold	30	5
Number of properties transferred to third parties	20	12
Number of Immovable assets transferred from the immovable asset register	711	184
Number of new (Education, Health and STARS) construction projects completed	6	2
Number of facilities rehabilitated, renovated and refurbished	27	17

### I Report on compliance with legislation

22. 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.
23. 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.
24. 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.
25. The material finding on compliance with the selected legislative requirement, presented per compliance theme, is as follows:

### Expenditure management

26. 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.



## Other information in the annual report

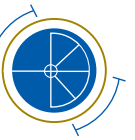
27. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
28. 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.
29. 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.
30. The other information I obtained prior to the date of this auditor's report is the draft annual report, and the final annual report is expected to be made available to us after 31 July 2024.
31. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
32. When I do receive and read the final annual reported, if concluded 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

33. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
34. The matters reported below are limited to the significant internal control deficiencies that resulted in the material finding on compliance with legislation included in this report.
35. Senior management did not adequately review and monitor compliance with applicable laws and regulations which resulted in an instance of non-compliance being identified.

## Material irregularities

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



## Material irregularities identified during audit

### Construction of new Khutsong South clinic not completed

37. Resources of the department were not utilised economically, as required by section 38(1) (b) of the PFMA. The department did not take appropriate steps to ensure that a replacement contractor is appointed to complete the construction of the new Khutsong South clinic since termination of the contractor's contract November 2019 due to abandonment of site.
38. The department was given an instruction to proceed with the project in July 2022 by the Gauteng Department of Health. The incomplete infrastructure is likely to be vandalised and deteriorate due to elements of weather.
39. The non-compliance is likely to result in material financial loss for the Gauteng Department of Health, if a replacement contractor is not appointed on time to complete construction of the clinic.
40. Gauteng Department of Infrastructure Development implements infrastructure projects on behalf of the Gauteng Department of Health.
41. The accounting officer was notified of the material irregularity on 23 August 2023 and invited to make a written submission on the actions taken and to be taken to address the matter.
42. The accounting officer has taken the following actions to address the material irregularity:
  - Appointed a contractor in April 2024 to complete construction of the clinic. Gauteng Department of Health confirmed budget availability in July 2024 and the contracting process is expected to be finalised before end of August 2024. Construction work will commence upon finalisation of the contracting process
  - A root cause analysis finalised in June 2024 concluded that established contract management processes were not followed and a process to implement recommendations from the report is expected to be finalised before end of October 2024.
  - Established a panel of construction contractors with construction industry development board grading between level 6 and 9. This will enhance turnaround times on the appointments of contractors, in particular appointing replacement contractors where the contractor has failed to perform.
43. To prevent a re-occurrence of the material irregularity, the accounting officer holds bilateral meetings with senior management on a biweekly basis to enhance oversight and support. This ensures speedy turnaround times on projects.
44. I will follow up on the implementation of the planned actions during my next audit.

### Construction of Mayibuye Primary School not completed

45. Resources of the department were not utilised economically, as required by section 38(1) (b) of the PFMA. The department did not address concerns raised by the Gauteng Department of Education to ensure that a replacement contractor is appointed to complete the construction of Mayibuye Primary School between July 2020 and July 2023.
46. The incomplete infrastructure is likely to be vandalised and deteriorate due to elements of weather. The non-compliance is likely to result in material financial loss for the Gauteng department of Education, if a replacement contractor is not appointed on time to complete construction of the school.



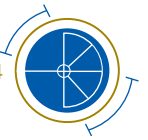


47. Gauteng Department of Infrastructure Development implements infrastructure projects on behalf of the Gauteng Department of Education.
48. The accounting officer was notified of the material irregularity on 4 September 2023 and invited to make a written submission on the actions taken and to be taken to address the matter.
49. The accounting officer has taken the following actions to address the material irregularity:
  - Appointed a contractor in August 2023 to complete the project and construction work was completed in January 2024 with learners attending school from February 2024.
  - A completion certificate for the external civil works was issued in March 2024.
  - A root cause analysis finalised in June 2024 concluded that established contract management processes were not followed and a process to implement recommendations from the report is expected to be finalised before end of October 2024.
  - Established a panel of construction contractors with construction industry development board grading between level 6 and 9. This will enhance turnaround times on the appointments of contractors, in particular appointing replacement contractors where the contractor has failed to perform.
50. To prevent a re-occurrence of the material irregularity, the accounting officer holds bilateral meetings with senior management on a biweekly basis to enhance oversight and support. This ensures speedy turnaround times on projects.
51. I will follow up on the implementation of committed actions during my next audit.

#### **Status of previously reported material irregularity**

#### **Construction of Mayibuye clinic not completed**

52. Resources of the department were not utilised economically, as required by section 38(1) (b) of the PFMA. The department did not take appropriate steps to ensure that a replacement contractor is appointed to complete the construction of Mayibuye clinic since the termination of the contractor's contract in August 2021 due to poor performance.
53. The department was given an instruction to proceed with the project in March 2023 by the Gauteng Department of Health. The incomplete infrastructure is likely to be vandalised and deteriorate due to elements of weather.
54. The non-compliance is likely to result in material financial loss for the Gauteng Department of Health, if a replacement contractor is not appointed on time to complete construction of the clinic.
55. Gauteng Department of Infrastructure implements infrastructure projects on behalf of the Gauteng Department of Health.
56. The accounting officer was notified of the material irregularity on 19 July 2023.
57. The accounting officer has taken the following actions to address the material irregularity:
  - A root cause analysis finalised in June 2024 concluded that established contract management processes were not followed and a process to implement recommendations from the report is expected to be finalised before end of October 2024.
  - Appointed a professional team which is currently reviewing project technical reports to determine suitability of the structure on site which will inform the finalisation of the design development report to be submitted



and approved by the Gauteng Department of Health. The final report is expected to be submitted to the Gauteng Department of Health before end of October 2024.

- A tender document will be prepared for submission to the Gauteng Department of Health for approval upon confirmation of the budget availability by the Gauteng Department of Health
  - Established a panel of construction contractors with construction industry development board grading between level 6 and 9. This will enhance turnaround times on the appointments of contractors, in particular appointing replacement contractors where the contractor has failed to perform.
58. To prevent a re-occurrence of the material irregularity, the accounting officer holds bilateral meetings with senior management on a biweekly basis to enhance oversight and support. This ensures speedy turnaround times on projects.
59. I will follow up on the implementation of committed actions during my next audit.

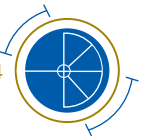
### **Construction of Nancefield primary school not completed**

60. Resources of the department were not utilised economically, as required by section 38(1) (b) of the PFMA. The department did not take appropriate steps to ensure that a replacement contractor is appointed to complete the construction of Nancefield primary school since the termination of the contractor's contract in December 2021 due to poor performance.
61. The incomplete infrastructure is likely to be vandalised and deteriorate due to elements of weather. The non-compliance is likely to result in material financial loss for the Gauteng Department of Education, if a replacement contractor is not appointed on time to complete construction of the school
62. Gauteng Department of Infrastructure Development was managing the project on behalf of the Gauteng Department of Education.
63. The accounting officer was notified of the material irregularity on 26 July 2023.
64. The accounting officer has taken the following actions to address the material irregularity:
- Appointed a contractor in April 2024 to complete construction of the school.
  - Compliance verification process was finalised in July 2024 and contracting process is expected to be finalised before end of August 2024. Construction work will commence upon finalisation of the contracting process.
  - A root cause analysis finalised in June 2024 concluded that established contract management processes were not followed and a process to implement recommendations from the report is expected to be finalised before end of October 2024.
  - Established a panel of construction contractors with construction industry development board grading between level 6 and 9. This will enhance turnaround times on the appointments of contractors, in particular appointing replacement contractors where the contractor has failed to perform.
65. To prevent a re-occurrence of the material irregularity, the accounting officer holds bilateral meetings with senior management on a biweekly basis to enhance oversight and support. This ensures speedy turnaround times on projects.
66. I will follow up on the implementation of the planned actions during my next audit.



## Refurbishment of a private hospital without compensation for refurbishments done

67. 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 September 2020 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 855 808 was spent on the refurbishments.
68. The non-compliance is likely to result in a material financial loss for the Gauteng Department of Health amounting to R492 855 808 if not recovered.
69. Gauteng Department of Infrastructure Development implements infrastructure projects on behalf of the Gauteng Department of Health.
70. The accounting officer was notified of the material irregularity on 22 July 2022.
71. The actions taken by the accounting officer to resolve the material irregularity were as follows:
- An official from the Gauteng Department of Health who also signed the lease agreement resigned from the employment of the department in October 2020.
  - Six officials from the Gauteng Department of Infrastructure Development and three from the Gauteng Department of Health who participated in the signing of the lease agreement were suspended in the 2021-22 financial year and their disciplinary hearings were finalised in July 2024.
  - The chairperson directed implicated officials and the employer to provide their closing arguments before end of September 2024.
  - Approved the updated third-party leasing policy in September 2023 which prohibits refurbishments of properties not owned by the provincial government.
72. The Special Investigating Unit applied to the Special Tribunal of South Africa for the draft settlement agreement between the Special Investigating Unit and owners of the hospital to be made an order of the tribunal. The matter was heard in November 2022 and judgement has not been handed down. The options included in the draft settlement agreement are as follows:
- 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.
  - 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 seNices required for the operation of the hospital.
73. The material irregularity is resolved.



## Other reports

74. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties. 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.
75. The department is conducting a number of investigations based on allegations of procurement irregularities and financial misconduct. Some of these investigations had been finalised while others were still in progress at the date of this auditor's report.

*Auditor General*

**Johannesburg**

**31 July 2024**



**AUDITOR - GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

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

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

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

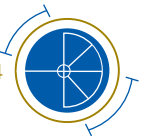
#### Financial statements

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

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

#### Communication with those charged with governance

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



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

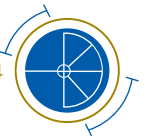
From the matters communicated to those charged with governance, I determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore key audit matters. I describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

### 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)	Sections 38(1)(b); 38(1)(c)(ii); Sections 38(1)(d); 38(1)(h)(iii); 39(1)(a); 39(2)(a); Sections 40(1)(a) and (b); 40(1)(c)(i); Sections 43(4); 44; 45(b); 57(b)
Treasury regulations (TR)	TR 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); TR 5.3.1; 6.3.1(a) - (d); 6.4.1(b) TR 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1; 9.1.4; TR 10.1.1(a); 10.1.2; TR 12.5.1; 15.10.1.2(c); TR 16A3.2 (fairness); 16A3.2(a); 16A6.1; TR 16A6.2(a) and (b); 16A6.3(a) - (c); 16A6.3(a)(i); TR 16A6.3(e) TR 16A6.4; 16A6.5; 16A6.6; 16A7.1 TR 16A8.3; 16A8.4; TR 16A9.1; 16A9.1(d)-(f); 16A9.2(a)(ii); TR 17.1.1; 18.2; 19.8.4
Annual Division of Revenue Act (Dora)	Sections 11(6)(a); 12(5) Sections 16(1); 16(3) / 16(3)(a)(i)
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
CIDB regulations	Regulations 17; 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Sections 2.1(a), (b) and (f)
Preferential Procurement regulations (PPR), 2011	Regulation 8.2 Regulation 9.1
Preferential Procurement regulations (PPR), 2017 under functionality	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; Regulation 6.8; Regulation 7.8; Regulations 8.2; 8.5; 9.1; 10.1; 10.2; 11.1
Preferential Procurement regulations (PPR), 2022	Regulation 4.4
State Information Technology Agency Act 88 of 1998 (SITA)	Section 7(3)
NT SCM Instruction Note 04 of 2015/16	Par 3.4
NT SCM Instruction Note 4A of 2016/17	Par 6
NT SCM Instruction Note 07 of 2017/18	Par 4.3
NT SCM Instruction Note 05 of 2020/21	Par 4.8; 4.9; 5.3
Erratum NT SCM Instruction Note 05 of 2020/21	Par 1; 2

Legislation	Sections or regulations
Second Amendment to NT SCM Instruction Note 05 of 2020/21	Par1
NT Instruction Note 11 of 2020/21	Par 3.1; 3.4(b); 3.9
PFMA Instruction Note 01 of 2021-22	Par. 4.1
NT SCM Instruction Note 02 of 2021/22	Par 3.2.1; 3.2.4;3.2.4(b); 3.3.1
PFMA SCM Instruction Note 03 of 2021/22	Par 4.1; 4.2 (b);4.3;4.4;
PFMA instruction note no.3 of 2021/22	Par. 4.2 (b)
Public Service regulations (PSR), 2016	PSR 25(1)(e)(i) and (iii) PSR 18(1) (2)
Practice Note 5 of 2009/10 par. 3.3	Par. 3.3
PRECCA 34(1)	
SBD 6.2 issued in 2015/16	

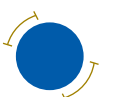


# GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

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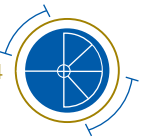




# GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 APPROPRIATION STATEMENT

for the year ended 31 March 2024

Appropriation per programme	2023/24						2022/23		
	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
<b>Programme</b>									
1. Administration	472 462		59 358	531 820	530 334	1 486	99.7%	479 238	448 389
2. Public Works Infrastructure	3 047 952		(78 908)	2 969 044	2 953 562	15 482	99.5%	2 726 377	2 670 562
3. Expanded Public Works Programme	252 871		19 550	272 421	272 421	-	100%	149 620	123 530
<b>Total</b>	<b>3 773 285</b>		<b>-</b>	<b>3 773 285</b>	<b>3 756 317</b>	<b>16 968</b>	<b>99.6%</b>	<b>3 355 235</b>	<b>3 242 482</b>
	2023/24						2022/23		
	Final Budget	Actual Expenditure	Final Budget	Actual Expenditure	Final Budget	Actual Expenditure			
	R'000	R'000	R'000	R'000	R'000	R'000			
<b>TOTAL (brought forward)</b>									
<b>Reconciliation with statement of financial performance</b>									
<b>ADD</b>									
Departmental receipts		24 072						35 720	
Aid assistance		3 797 357						3 390 955	
Actual amounts per statement of financial performance (total revenue)									
<b>ADD</b>									
Aid assistance									
Prior year unauthorised expenditure approved without funding									
<b>Actual amounts per statement of financial performance (total expenditure)</b>				<b>3 756 317</b>				<b>3 355 235</b>	<b>3 242 482</b>



# GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 APPROPRIATION STATEMENT

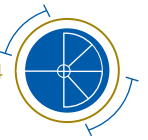
for the year ended 31 March 2024

Appropriation per economic classification	2023/24						2022/23		
	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
<b>Economic classification</b>									
<b>Current payments</b>	2 081 684	222 982	96 782	2 401 448	2 390 772	10 676	99.6%	2 246 737	2 162 227
Compensation of employees	1 242 183	-	-	1 242 183	1 244 054	(1 871)	100.2%	1 179 186	1 151 970
Goods and services	839 501	214 984	96 782	1 151 267	1 135 417	15 850	98.6%	1 064 891	1 007 597
Interest and rent on land	-	7 998	-	7 998	11 301	(3 303)	141.3%	2 660	2 660
<b>Transfers and subsidies</b>	1 246 517	(182 214)	(96 782)	967 521	967 518	3	100.0%	1 049 228	1 039 759
Provinces and municipalities	1 242 517	(183 377)	(96 856)	962 284	962 284	-	100.0%	1 042 821	1 033 435
Households	4 000	1 163	74	5 237	5 234	3	99.9%	6 407	6 324
<b>Payments for capital assets</b>	445 084	(42 020)	-	403 064	397 542	5 522	98.6%	57 196	38 477
Buildings and other fixed structures	398 784	(33 174)	-	365 610	359 321	6 289	98.3%	14 260	13 887
Machinery and equipment	46 300	(8 846)	-	37 454	37 454	-	100.0%	42 936	24 590
<b>Payments for financial assets</b>	-	1 252	-	1 252	485	767	38.7%	2 074	2 019
<b>Total</b>	<b>3 773 285</b>	<b>-</b>	<b>-</b>	<b>3 773 285</b>	<b>3 756 317</b>	<b>16 968</b>	<b>99.6%</b>	<b>3 355 235</b>	<b>3 242 482</b>

# GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 APPROPRIATION STATEMENT

for the year ended 31 March 2024

Programme 1: ADMINISTRATION		2023/24						2022/23		
		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
<b>Sub programme</b>										
1. Office of the MEC	14 740	(1 012)	(2)	13 726	13 726	-	100.0%	13 239	11 864	
2. Corporate support	438 609	969	72 305	511 883	510 397	1 486	99.7%	454 939	426 762	
3. Management of the Department	19 113	43	(12 945)	6 211	6 211	-	100.0%	11 060	9 763	
<b>Total for sub programmes</b>	<b>472 462</b>	<b>-</b>	<b>59 358</b>	<b>531 820</b>	<b>530 334</b>	<b>1 486</b>	<b>99.7%</b>	<b>479 238</b>	<b>448 389</b>	
<b>Economic classification</b>										
<b>Current payments</b>	432 162	1 818	59 358	493 338	491 852	1 486	99.7%	433 700	421 269	
Compensation of employees	270 202	-	(24 658)	245 362	245 362	-	100.0%	238 993	237 188	
Goods and services	162 142	(6 127)	84 016	240 031	235 242	4 789	98.0%	192 047	181 421	
Interest and rent on land	-	7 945	-	7 945	11 248	(3 303)	141,6%	2 660	2 660	
<b>Transfers and subsidies</b>	4 000	(3 215)	-	785	785	-	100.0%	1 345	1 3428	
Households	4 000	(3 215)	-	785	785	-	100.0%	1 345	1 328	
<b>Machinery and equipment</b>	36 300	145	-	36 445	36 445	-	100.0%	42 119	23 773	
Software and other intangible assets	-	-	-	-	767	(767)	-	-	-	
<b>Payments for financial assets</b>	-	1 252	-	1 252	485	767	38.7%	2 074	2 019	
<b>Total</b>	<b>472 462</b>	<b>-</b>	<b>59 358</b>	<b>531 820</b>	<b>530 334</b>	<b>1 486</b>	<b>99.7%</b>	<b>479 238</b>	<b>448 389</b>	



# GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 APPROPRIATION STATEMENT

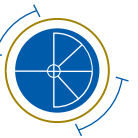
for the year ended 31 March 2024

Programme 2: PUBLIC WORKS INFRASTRUCTURE	2023/24					2022/23			
	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
<b>Sub programme</b>									
1. Construction	590 922	9 833	12 217	612 972	600 907	12 065	98.0%	227 965	227 576
2. Maintenance	693 366	42 014	5 731	741 111	743 692	(2 581)	100.3%	700 036	692 190
3. Immovable Asset Management	1 763 664	(51 847)	(96 856)	1 614 961	1 608 963	5 998	99.6%	1 798 376	1 750 796
<b>Total for sub programmes</b>	<b>3 047 952</b>	<b>-</b>	<b>(78 908)</b>	<b>2 969 044</b>	<b>2,953,562</b>	<b>15 482</b>	<b>99.5%</b>	<b>2 726 377</b>	<b>2 670 562</b>
<b>Economic classification</b>									
<b>Current payments</b>	1 396 651	221 164	17 948	1 635 763	1 626 573	9 190	99.4%	1 663 491	1 617 435
Compensation of employees	851 207	-	17 948	869 155	871 025	(1 870)	100.2%	825 133	824 872
Goods and services	545 444	221 111	-	766 555	755 495	11 060	98.6%	838 358	792 563
Interest and rent on land	-	53	-	53	53	-	100.0%	-	-
<b>Transfers and subsidies</b>	1 242 517	(178 999)	(96 856)	966 662	966 659	3	100.0%	1 047 809	1 038 423
Provinces and municipalities	1 242 517	(183 377)	(96 856)	962 284	962 284	-	100.0%	1 042 821	1 033 435
Households	-	4 378	-	4 378	4 375	3	99.9%	4 988	4 988
<b>Payments for capital assets</b>	408 784	(42 165)	-	366 619	360 330	6 289	98.3%	15 077	14 704
Buildings and other fixed structures	398 784	(33 174)	-	365 610	359 321	6 289	98.3%	14 260	13 887
<b>Machinery and equipment</b>	<b>10 000</b>	<b>(8 991)</b>	<b>-</b>	<b>1 009</b>	<b>1 009</b>	<b>-</b>	<b>100.0%</b>	<b>817</b>	<b>817</b>
<b>Total</b>	<b>3 047 952</b>	<b>-</b>	<b>(78 908)</b>	<b>2 969 044</b>	<b>2 953 562</b>	<b>15 482</b>	<b>99.5%</b>	<b>2 726 377</b>	<b>2 670 562</b>

## GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 APPROPRIATION STATEMENT

for the year ended 31 March 2024

Programme 3: EXPANDED PUBLIC WORKS PROGRAMME									
	2023/24					2022/23			
	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
<b>Sub programme</b>									
1. Programme Support	38 969	-	4 533	43 502	43 497	5	100.0%	29 445	29 103
2. Community Development	213 902	-	15 017	228 919	228 924	(5)	100.0%	120 175	94 427
<b>Total for sub programmes</b>	<b>252 871</b>	<b>-</b>	<b>19 550</b>	<b>272 421</b>	<b>272 421</b>	<b>-</b>	<b>100.0%</b>	<b>149 620</b>	<b>123 530</b>
<b>Economic classification</b>									
<b>Current payments</b>	252 871	-	19 476	272 347	272 347	-	100.0%	149 546	123 522
Compensation of employees	120 956	-	6 710	127 666	127 667	-	100.0%	115 060	89 910
Goods and services	131 915	-	12 766	144 681	144 680	1	100.0%	34 486	33 612
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	74	74	74	-	100.0%	74	8
Households	-	-	74	74	74	-	100.0%	74	8
<b>Total</b>	<b>252 871</b>	<b>-</b>	<b>19 550</b>	<b>272 421</b>	<b>272 421</b>	<b>-</b>	<b>100.0%</b>	<b>149 620</b>	<b>123 530</b>



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

for the year ended 31 March 2024

### 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	531 820	530 334	1 486	0.3%
Public Works Infrastructure	2 969 044	2 953 562	15 482	0.5%
Expanded Public Works Programme	272 421	272 421	-	-
<b>Total</b>	<b>3 773 285</b>	<b>3 756 317</b>	<b>16 968</b>	<b>0.4%</b>



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

for the year ended 31 March 2024

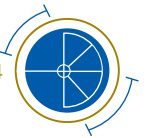
### 4.2 Per economic classification

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
<b>Current payments</b>	<b>2 401 448</b>	<b>2 390 772</b>	<b>10 676</b>	<b>0.4%</b>
Compensation of employees	1 242 183	1 244 054	(1 871)	(0.1) %
Goods and services	1 151 267	1 135,417	15,850	1. %
Interest and rent on land	7 998	11,301	(3,303)	(100)
<b>Transfers and subsidies</b>	<b>967 521</b>	<b>967 518</b>	<b>3</b>	<b>0</b>
Provinces and municipalities	962 284	962 284	-	-
Households	5 237	5 234	3	0.05%
<b>Payments for capital assets</b>	<b>403 064</b>	<b>397 542</b>	<b>5 522</b>	<b>1.3%</b>
Buildings and other fixed structures	365 610	359 321	6 289	1.7%
Machinery and equipment	37 454	37 454	-	-
Software and other intangible assets	-	767	(767)	-
<b>Payments for financial assets</b>	<b>1 252</b>	<b>485</b>	<b>767</b>	<b>61%</b>
<b>Total</b>	<b>3 773 285</b>	<b>3 756 317</b>	<b>16 968</b>	<b>0.4%</b>

The total allocated budget to the Department was R3,773 billion and expenditure for the year amounted to R3,756 billion. This illustrates that of the total budget allocated, 99,6% was spent and the difference of R16,9 million resulted into a saving.

### 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	9 031	9 031	-	-
<b>Total</b>	<b>9 031</b>	<b>9 031</b>	<b>-</b>	<b>-</b>



## GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2024

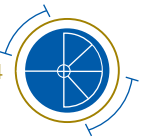
		2023/24	2022/23
	Note	R'000	R'000
<b>REVENUE</b>			
Annual appropriation	1	3 773 285	3 355 235
Departmental revenue	2	24 072	35 720
NRF Receipts		-	-
Aid assistance		-	-
<b>TOTAL REVENUE</b>		<b>3 797 357</b>	<b>3 390 955</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	1 244 054	1 151 970
Goods and services	4	1 135 417	1 007 597
Interest and rent on land	5	11 301	2 660
<b>Total current expenditure</b>		<b>2 390 772</b>	<b>2 162 227</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	967 518	1 039 759
<b>Total transfers and subsidies</b>		<b>967 518</b>	<b>1 039 759</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	396 775	38 477
Intangible assets	8	767	-
<b>Total expenditure for capital assets</b>		<b>397 542</b>	<b>38 477</b>
Unauthorised expenditure approved without funding			
<b>Payments for financial assets</b>	6	485	2 019
<b>TOTAL EXPENDITURE</b>		<b>3 756 317</b>	<b>3 242 482</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>41 040</b>	<b>148 473</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		<b>16 968</b>	<b>112 753</b>
Annual appropriation		16 968	112 753
Departmental revenue and NRF receipts	13	24 072	35 720
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>41 040</b>	<b>148 473</b>



## GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2024

		2023/24	2022/23
	Note	R'000	R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>43 381</b>	<b>163 355</b>
Cash and cash equivalents	9	25 754	145 051
Prepayments and advances	10	41	82
Receivables	11	17 586	18 222
<b>TOTAL ASSETS</b>		<b>43 381</b>	<b>163 355</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>43 290</b>	<b>163 222</b>
Voted funds to be surrendered to the Revenue Fund	12	16 963	112 748
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	19 087	21 851
Payables	14	7 240	28 623
<b>Non-current liabilities</b>			
Payables	14	-	-
<b>TOTAL LIABILITIES</b>		<b>43 290</b>	<b>163 222</b>
<b>NET ASSETS</b>		<b>91</b>	<b>133</b>
<b>Represented by:</b>			
Recoverable revenue		91	133
<b>TOTAL</b>		<b>91</b>	<b>133</b>



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

for the year ended 31 March 2024

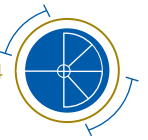
		2023/24	2022/23
	Note	R'000	R'000
<b>Recoverable revenue</b>			
Opening balance		133	117
Transfers:		<b>-42</b>	<b>16</b>
Debts recovered (included in departmental revenue)		-115	-30
Debts raised		73	46
Closing balance		91	133
<b>TOTAL</b>		<b>91</b>	<b>133</b>



## GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 CASH FLOW STATEMENT

for the year ended 31 March 2024

		2023/24	2022/23
	Note	R'000	R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		3 787 956	3 379 577
Annual appropriation funds received	1.1	3 773 285	3 355 235
Departmental revenue received	2	14 597	24 071
Interest received	2.2	74	271
Net (increase)/decrease in net working capital		-20 706	39 045
Surrendered to Revenue Fund		-139 589	-104 596
Current payments		-2 379 471	-2 159 567
Interest paid	5	-11 301	-2 660
Payments for financial assets		-485	-2 019
Transfers and subsidies paid		-967 518	-1 039 759
<b>Net cash flow available from operating activities</b>	<b>15</b>	<b>268 886</b>	<b>110 021</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Distribution/dividend received		-	-
Payments for capital assets	8	-397 542	-38 477
Proceeds from sale of capital assets	2.3	9 401	<b>11 378</b>
<b>Net cash flow available from investing activities</b>		<b>-388 141</b>	<b>-27 099</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		-42	16
Increase/(decrease) in non-current payables		-	-
<b>Net cash flows from financing activities</b>		<b>-42</b>	<b>16</b>
Net increase/(decrease) in cash and cash equivalents		-119 297	82 938
Cash and cash equivalents at beginning of period		145 051	62 113
<b>Cash and cash equivalents at end of period</b>	<b>9</b>	<b>25 754</b>	<b>145 051</b>



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

## 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).

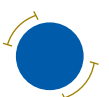
#### 5. Foreign currency translation

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.



# GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

### 6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

## 7. Revenue

### 7.1 Appropriated funds

Appropriated funds 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.

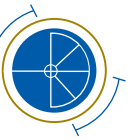
Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- 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 2024

### 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 2024

### 9. Aid assistance

#### 9.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

CARA Funds are recognised when receivable and measured at the amounts' receivable.

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

#### 9.2 Aid assistance paid

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

### 10. Cash and cash equivalents

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

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

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.

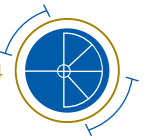
Prepayments and advances are initially and subsequently measured at cost. The Department recognises a prepayment or an advance in the statement of financial performance in accordance with chapter 8 on expenditure if the payment or the advance is material and was budgeted for as an expense in the year 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 2024

### 14. Financial assets

#### 14.1 Financial assets

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. 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 2024

### 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.

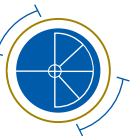
## 17. Provisions and contingents

### 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 2024

### 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.

# GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

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

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

### 21. Changes in accounting policies, estimates and errors

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

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

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

### 22. Events after the reporting date

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

### 23. 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 National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

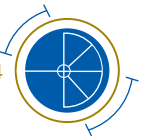
### 25. Recoverable revenue

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 National/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 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 2024

### 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.

Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.

The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

### 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 2024

### 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:

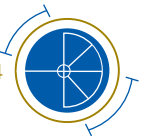
	2023/24			2022/23		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropriation Received	Funds not requested / not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
Administration	531 820	531 820	-	479 238	479 238	-
Public works Infrastructure	2 969 044	2 969 004	-	2 726 377	2 726 377	-
Expanded Public Works programme	272 421	272 421	-	149 620	149 620	-
<b>Total</b>	<b>3 773 285</b>	<b>3 773 285</b>	<b>-</b>	<b>3 355 235</b>	<b>3 355 235</b>	<b>-</b>

*The Department managed to request all funds allocated as per the allocated budget of R3,773 billion.*

#### 1.2. Conditional grants

	Note	2023/24 R'000	2022/23 R'000
Total grants received	33	<b>9 031</b>	<b>6 768</b>
<b>Provincial grants included in total grants received</b>		<b>-</b>	<b>-</b>

*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. The attainment of the FTE targets met in the previous financial year, contributed to the Department to convince National Treasury to increase allocations to R9 million on the current financial year.*



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

for the year ended 31 March 2024

### 2. Departmental revenue

		2023/24	2022/23
	Note	R'000	R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	13 744	16 537
Interest, dividends and rent on land	2.2	74	271
Sales of capital assets	2.3	9 401	11 378
Transactions in financial assets and liabilities	2.4	853	7 534
<b>Total revenue collected</b>		<b>24 072</b>	<b>35 720</b>
Less: Own revenue included in appropriation		-	-
<b>Total</b>		<b>24 072</b>	<b>35 720</b>

Revenue from sale of goods and services consist of rental from dwellings, non-res building and parking collection. An overall decrease in revenue collection was due to less revenue collected from Property public auctions and sale of goods and services. The R7,5 million, transactions in financial assets and liabilities from the year 2022/23 relates to collection from the Department of Community and in the current year recovery was less.

#### 2.1 Sales of goods and services other than capital assets

		2023/24	2022/23
	Note	R'000	R'000
Sales of goods and services produced by the department		13,744	16,537
Sales by market establishment		12,924	15,735
Other sales		820	802
<b>Total</b>	2	<b>13,744</b>	<b>16,537</b>

The Department has under collected in the current year on sale of goods and services due to inability of the tenants to afford rentals. Although letters of demand were issued to residential tenants the Department managed to collect R1 million from 170 residential tenants. Commercial tenants have the potential to reach annual revenue targets since the Department collected 67% of the revenue target. Other revenue consists of revenue from staff boarding and commission received from Garnishee orders.

#### 2.2 Interest, dividends and rent on land

		2021/23	2022/23
	Note	R'000	R'000
Interest		74	271
<b>Total</b>	2	<b>74</b>	<b>271</b>

The R271 thousand from previous financial year related to servitude lines whereas in the current financial year the R74 thousand relates interest charged on staff debts.

#### 2.3 Sales of capital assets

		2023/24	2022/23
	Note	R'000	R'000
<b>Tangible capital assets</b>		<b>9 401</b>	<b>11 378</b>
Buildings and other fixed structures		9 401	11 378
<b>Total</b>	2	<b>9 401</b>	<b>11 378</b>

In the year 2023/24 the Department sold 5 properties through public auction with a revenue of R9,4 million, whereas in the previous financial year 14 properties were sold for an amount of R11 million.

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

for the year ended 31 March 2024

### 2.4 Transactions in financial assets and liabilities

		2023/24	2022/23
	Note	R'000	R'000
Receivables		853	7,534
<b>Total</b>	2	<b>853</b>	<b>7,534</b>

### 3. Compensation of employees

#### 3.1 Analysis of balance

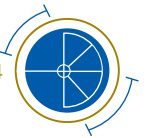
		2023/24	2022/23
	Note	R'000	R'000
Basic salary		761 762	694 288
Performance award		145	970
Service based		658	1 195
Compensative/circumstantial		159 506	121 383
Periodic payments		3 070	3 704
Other non-pensionable allowances		148 152	179 509
<b>Total</b>		<b>1 073 293</b>	<b>1 001 049</b>

An increase in the Compensation of employees is due to department recruiting 215 employees for the 2023/24 financial year with 109 employees exiting for the same period leaving the department and the Salary adjustment increases.

#### 3.2 Social contributions

		2023/24	2022/23
	Note	R'000	R'000
<b>Employer contributions</b>			
Pension		99 154	89 113
Medical		71 293	61 491
UIF		-	-
Bargaining council		296	283
Official unions and associations		-	-
Insurance		18	34
<b>Total</b>		<b>170 761</b>	<b>150 921</b>
Average number of employees		2 472	2 463

Average number of employees increased from 2 463 to 2 472 because of new recruitments.



# GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

### 4. Goods and services

		2023/24	2022/23
	Note	R'000	R'000
Administrative fees		6	13
Advertising		3 851	3 356
Minor assets	4.1	1 836	434
Bursaries (employees)		6 084	103
Catering		2 365	603
Communication		2 242	1 088
Computer services	4.2	15 140	28 537
Consultants: Business and advisory services		43 575	6 794
Legal services		109 836	62 038
Contractors		318	2 432
Agency and support / outsourced services		144 373	41 992
Audit cost - external	4.3	10 794	38 056
Fleet services		46 859	43 882
Inventories	4.4	6 471	3 325
Consumables	4.5	10 912	7 790
Operating leases		396 265	470 541
Property payments	4.6	298 143	263 011
Travel and subsistence	4.7	22 448	20 231
Venues and facilities		1 146	1 916
Training and development		12 629	11 455
Other operating expenditure	4.8	124	-
<b>Total</b>		<b>1 135 417</b>	<b>1 007 597</b>

Goods and services reflect an increase in expenditure due to the payment of accruals carried through from the previous financial year and annual escalation on property leases.

- An increase in advertising was due to more recruitment and tender adverts in the current year.
- In the current year the Department took a decision to empower, improve the skills and qualification of the employees thereby issuing out 277 bursaries to employees. Most of the bursaries were awarded to employees who do not have any formal qualifications.
- A reduction in computer services in the financial year 2023/24 related to less procurement of software used by the engineers and architects for designing and planning.
- In the current year the Department provided catering service for 365 EPWP beneficiaries for 60 days during training programme at the college.
- Computer services related to payment of Microsoft licence, SITA for back up, disaster recovery and hosting Departmental servers and procurement of software used by property management, engineers and architects for designing and planning. 2022/23 expenditure include accruals for 2021/22 that was settled in 2022/23
- Included in the Consultants is probity audit cost, competence assessment and qualification verification for new employees and feasibility studies on Solar projects. Increase in the cost for consultants in the year 2023/24 was mainly due to feasibility studies that were carried on Solar projects by IRPS. Based on the outcome of the feasibility studies the Department was allocated additional funding of R329 million during budget adjustment period for the implementation of the solar projects in the current year.
- Increase in Legal fees is due to court order payment amounting to R77,3 million because of breach of contracts on some of the health institution projects.
- An increase in agency and support is because of the training and skills development that was offered to the EPWP beneficiaries and the payment of stipends to EPWP beneficiaries (Health and Vacant land programmes). Each beneficiary was paid a stipend of R 3 500.00 per month
- In the year 2022/23 the Department incurred R 27 million on investigation and review on OHS Department of Health projects. The decrease in the audit costs is due to reduced number of investigations conducted in the current financial year.
- Increase in fleet service is in line with inflationary adjustment for the year.
- Increase in the inventory for the current year is due to protective clothing and uniform bought for the new EPWP beneficiaries that were recruited under Health and Vacant land programmes.
- Included in consumables is print cartridge, stationery, cleaning material and building materials. Increase is because of more cleaning materials bought during the year.
- Decrease in operating leases is due to some of the lease invoices deferred to the following year due to cash constrains.
- An increase in property payments is attributable to annual escalation on security fees and an increase on property maintenance costs.
- Less venues were hired due the Department implementing cost containment.
- More training was conducted due to more 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 2024

### 4.1 Minor assets

		2023/24	2022/23
	Note	R'000	R'000
<b>Tangible capital assets</b>		1 836	434
Machinery and equipment		1 836	434
<b>Intangible capital assets</b>		-	-
Software		-	-
<b>Total</b>	4	<b>1 836</b>	<b>434</b>

### 4.2 Computer services

		2023/24	2022/23
	Note	R'000	R'000
SITA computer services		-	-
External computer service providers		15 140	28 537
<b>Total</b>	4	<b>15 140</b>	<b>28 537</b>

*Computer services related to payment of Microsoft licence, SITA for back up, disaster recovery and hosting Departmental servers and procurement of software used by property management, engineers, and architects for designing and planning. In the comparative year an amount of R28 million includes payment for Microsoft licences for the year 2022/23 as well an accrual for year 2021/22 that was only settled in the year 2022/23.*

### 4.3 Audit cost - external

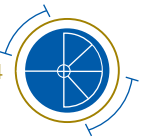
		2023/24	2022/23
	Note	R'000	R'000
Regularity audits		9 123	10 554
Investigations		1 671	27 502
<b>Total</b>	4	<b>10 794</b>	<b>38 056</b>

*The decrease in the audit costs is due to reduced number of investigations conducted in the current financial year.*

### 4.4 Inventories

		2023/24	2022/23
	Note	R'000	R'000
Clothing material and accessories		6 454	3 280
Materials and supplies		17	45
<b>Total</b>	4	<b>6 471</b>	<b>3 325</b>

- Increase in the inventory for the current year is due to protective clothing and uniform bought for the new EPWP beneficiaries that were recruited under Health and Vacant land programmes.



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

for the year ended 31 March 2024

### 4.5 Consumables

		2023/24	2022/23
	Note	R'000	R'000
Consumable supplies		6 349	3 564
Uniform and clothing		485	1 277
Household supplies		2 737	810
Building material and supplies		975	122
IT consumables		1 445	950
Other consumables		707	405
Stationery, printing and office supplies		4 563	4 226
<b>Total</b>	4	<b>10 912</b>	<b>7 790</b>

- Included in consumables is print cartridge, stationery, cleaning material and building materials. Increase is because of more cleaning materials bought during the year.

### 4.6 Property payments

		2023/24	2022/23
	Note	R'000	R'000
Municipal services		36 815	36 606
Property maintenance and repairs		103 630	81 782
Other		157 698	144 623
<b>Total</b>	4	<b>298 143</b>	<b>263 011</b>

*An increase in property payments is attributable to annual escalation on security fees and an increase on property maintenance costs. Included in other is security and cleaning services.*

### 4.7 Travel and subsistence

		2023/24	2022/23
	Note	R'000	R'000
Local		22 424	20 221
Foreign		24	10
<b>Total</b>	4	<b>22 448</b>	<b>20 231</b>

*An increase in local travel expenses is because the officials were using their own private vehicles instead of Government vehicles because the Department could not provide subsidised cars to them due the dispute amongst, National Department of Transport, National Treasury, and the OEM's (car manufacturers).*

*Increase in travel and subsistence for foreign is because of one of the officials who attended Construction indaba abroad has since submitted the Travel and subsistence claim accounting for the advance that was given to her in 2022.*

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

for the year ended 31 March 2024

### 4.8 Other operating expenditure

		2023/24	2022/23
	Note	R'000	R'000
Other		124	-
<b>Total</b>	4	<b>124</b>	<b>-</b>

*Included in other is professional membership, courier and delivery services.*

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

		2023/24	2022/23
	Note	R'000	R'000
<b>Name of Commission / Committee of Inquiry</b>			
Risk management committee		-	58
<b>Total</b>		<b>-</b>	<b>58</b>

*A decrease in remuneration of members is constituted by no payment in the 2023/24 financial year for additional meetings for the Risk management committee.*

## 5. Interest and rent on land

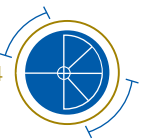
		2023/24	2022/23
	Note	R'000	R'000
Interest paid		11 301	2 660
<b>Total</b>		<b>11 301</b>	<b>2 660</b>

*An increase in interest is due to several court orders settlement during the year due to breach of contract in implementing Department of Health projects. .*

## 6. Payments for financial assets

		2023/24	2022/23
	Note	R'000	R'000
Debts written off	6.1	485	2 019
<b>Total</b>		<b>485</b>	<b>2 019</b>

*The Department wrote off less debts in the current year due to unsuccessful recovery of the and prescribed debts.*



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

for the year ended 31 March 2024

### 6.1 Debts written off

		2023/24	2022/23
	Note	R'000	R'000
<b>Nature of debts written off</b>			
Bad debt written off		350	137
Bad debts write off		133	165
Capital paid interest outstanding		2	3
Bad debts written off		-	1,714
<b>Total</b>		<b>485</b>	<b>2,019</b>
<b>Total debt written off</b>	6	<b>485</b>	<b>2 019</b>

The Department wrote off debts to an amount of R 134 thousand due to debtors being deceased, R351 thousand due to prescription status.

### 7. Transfers and subsidies

		2023/24	2022/23
	Note	R'000	R'000
Provinces and municipalities	34	962,284	1,033,435
Households	Annex 1G	5,234	6,324
<b>Total</b>		<b>967,518</b>	<b>1,039,759</b>

The Department settles rates and taxes for state properties in the Gauteng province.

### 8. Expenditure for capital assets

		2023/24	2022/23
	Note	R'000	R'000
<b>Tangible capital assets</b>			
Buildings and other fixed structures		359 321	13 887
Machinery and equipment		37 454	24 590
<b>Intangible capital assets</b>			
Software		767	-
<b>Total</b>		<b>397 542</b>	<b>38 477</b>

#### **Buildings and other fixed structures**

The department has spent R322 million on the implementation of Solar projects at various government properties and the remaining balance of R37 million related to expenditure incurred on capital projects which some of them would be completed in the next financial year.

#### **Machinery and equipment**

Expenditure on machinery and equipment for an amount of R37 million comprises of R10,5 million for Cell phone expenditure, Purchasing of Computers, Laptops and Office furniture

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

for the year ended 31 March 2024

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

	2023/24		
	Voted funds	Aid assistance	Total
Name of entity	R'000	R'000	R'000
<b>Tangible capital assets</b>	<b>396 775</b>	<b>-</b>	<b>396 775</b>
Buildings and other fixed structures	359 321	-	359.321
Machinery and equipment	37 454	-	37 454
<b>Intangible capital assets</b>	<b>767</b>	<b>-</b>	<b>767</b>
Software	767	-	767
<b>Total</b>	<b>397 542</b>	<b>-</b>	<b>397 542</b>

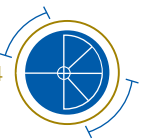
### 8.2 Analysis of funds utilised to acquire capital assets - Prior year

	2022/23		
	Voted funds	Aid assistance	Total
Name of entity	R'000	R'000	R'000
<b>Tangible capital assets</b>	<b>38 477</b>	<b>-</b>	<b>38 447</b>
Buildings and other fixed structures	13 887	-	13 887
Heritage assets	-	-	-
Machinery and equipment	24 590	-	24 590
<b>Intangible capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
Software	-	-	-
<b>Total</b>	<b>38 477</b>	<b>-</b>	<b>38 477</b>

### 8.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2023/24	2022/23
		R'000	R'000
<b>Tangible capital assets</b>		<b>-</b>	
Machinery and equipment		10 535	12,580
<b>Total</b>		<b>10 535</b>	<b>12,580</b>

An amount of R10,5 million on Machinery and equipment refers to expenditure on cell phone charges for the year under review.



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

for the year ended 31 March 2024

### 9. Cash and cash equivalents

	Note	2023/24 R'000	2022/23 R'000
Consolidated Paymaster General Account		25 722	145 029
Cash on hand		32	22
<b>Total</b>		<b>25 754</b>	<b>145 051</b>

Included in the Department PMG account is R16,9 million relating to voted funds to be surrendered to revenue fund, R3,1 million relating to unpaid invoices on behalf of the client Departments, R500 thousand in relation to payments processed but not yet disbursed in the bank account as at end of financial year and the difference for revenue collected in March, but payable in April 2024.

### 10. Prepayments and advances

	Note	2023/24 R'000	2022/23 R'000
Travel and subsistence		41	82
<b>Total</b>		<b>41</b>	<b>82</b>
<b>Analysis of Total Prepayments and advances</b>			
Current Prepayments and advances		41	82
<b>Total</b>		<b>41</b>	<b>82</b>

Current year balance on prepayments and advances is for Departmental officials who undertook official trips overseas.

### 11. Receivables

	Note	2023/24			2022/23		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	11.1	12,256	-	12,256	13,652	-	<b>13,652</b>
Recoverable expenditure	11.2	1,456	-	1,456	1,306	-	<b>1,306</b>
Staff debt	11.3	1,328	-	1,328	730	-	<b>730</b>
Other receivables	11.4	2,546	-	2,546	2,534	-	<b>2,534</b>
<b>Total</b>		<b>17,586</b>	<b>-</b>	<b>17,586</b>	<b>18,222</b>	<b>-</b>	<b>18,222</b>

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

for the year ended 31 March 2024

### 11.1 Claims recoverable

		2023/24	2022/23
	Note	R'000	R'000
Provincial departments		10 619	11 808
Public entities		1 637	1 844
<b>Total</b>	<b>11</b>	<b>12 256</b>	<b>13 652</b>

Included R12,2 million is an amount of R3 million relating to Gauteng Department of Health, R2,1 million relating to Gauteng Department of Sports and the difference of R7,2 million in relation to the entities and other service providers.

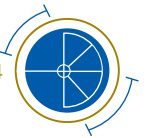
### 11.2 Recoverable expenditure

		2023/24	2022/23
	Note	R'000	R'000
<b>Group major categories, but list material items</b>			
Sal: reversal control		1 243	1 283
Sal: deduction disallowed		6	1
Sal: tax Dept		3	1
Sal: pension fund		-	17
Sal: Income tax		45	-
Sal: recoverable		108	-
Sal Medical aid		51	-
Telephone Exception account		-	4
<b>Total</b>	<b>11</b>	<b>1 456</b>	<b>1 306</b>

### 11.3 Staff debt

		2023/24	2022/23
	Note	R'000	R'000
<b>Group major categories, but list material items</b>			
Employee		711	44
Ex-employee		612	686
Ex-employee- breach of contract		5	-
<b>Total</b>	<b>11</b>	<b>1 328</b>	<b>730</b>

The Department has implemented processes that are assisting in the identification of debts and thereby correctly recorded. An increase from R44 thousand in the previous financial to R711 thousand in the current financial year is mainly due to new debts recorded for R694 thousand that it is in cases of leave without pay and abscondment.



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

for the year ended 31 March 2024

### 11.4 Other receivables

		2023/24	2022/23
	Note	R'000	R'000
<b>Group major categories, but list material items</b>			
Other (Advance Acc)		2 546	2 534
<b>Total</b>	11	<b>2 546</b>	<b>2 534</b>

### 11.5 Impairment of receivables

		2023/24	2022/23
	Note	R'000	R'000
Estimate of impairment of receivables		1 232	707
<b>Total</b>		<b>1 232</b>	<b>707</b>

An increase of 45 percent on staff debts on new debts influenced an increase on amount of impairment of receivables by 42,6 percent year on year.

## 12. Voted funds to be surrendered to the Revenue Fund

		2023/24	2022/23
	Note	R'000	R'000
Opening balance		112 748	72 606
Prior period error		-	-
As restated		112 748	72 606
Transferred from statement of financial performance (as restated)		16 968	112 753
Voted funds not requested/not received	1.1	-	-
Paid during the year		-112 753	-72 611
<b>Closing balance</b>		<b>16 963</b>	<b>112 748</b>

R16,9 million of underspending for the current financial year related to R5 million on maintenance, R5,6 million on goods and services and R6,2 million for Solar projects. These funds will be surrendered in the year 2024/25.

### 12.1 Reconciliation on unspent conditional grants

		2023/24	2022/23
	Note	R'000	R'000
Total conditional grants received	1.2	9 031	6 768
Total conditional grants spent		-9 031	-6 768
<b>Due by the Provincial Revenue Fund</b>		<b>-</b>	<b>-</b>

Incentive grant is meant to pay NYS (National Youth Services) stipends, the Department received the full transfers of R9 million from the National Department Public Works.



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

for the year ended 31 March 2024

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

		2023/24	2022/23
	Note	R'000	R'000
Opening balance		21 851	18 116
Prior period error		-	-
As restated		21 851	18 116
Transfer from Statement of Financial Performance (as restated)		24 072	35 720
Paid during the year		-26 836	-31 985
<b>Closing balance</b>		<b>19 087</b>	<b>21 851</b>

Revenue paid over to Provincial Treasury amount to R26 million in the year 2023/24. The revenue collected in the last month of the financial year will be paid over in first quarter of the 2024/25 financial year to Gauteng Provincial Treasury.

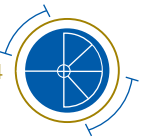
### 14. Payables - current

		2023/24	2022/23
	Note	R'000	R'000
Amounts owing to other entities		-	-
Other payables	14.1	7 240	28 623
<b>Total</b>		<b>7 240</b>	<b>28 623</b>

#### 14.1 Other payables

		2023/24	2022/23
	Note	R'000	R'000
<b>Identify major categories, but list material items</b>			
Outstanding payments		505	479
Provincial depts-current		4 342	25 313
Sal: ACB recalls		191	106
Sal: income tax		-	733
Bank adjustment		-	992
Sal: GEHS refund control		1 098	-
Sal: Persal EBT control Acc: DOM		542	834
EBT rejection		456	-
Other payables		106	166
<b>Total</b>	14	<b>7 240</b>	<b>28 623</b>

Included in the R7,2 million is an amount of R942 thousand for Gauteng Department of Community Safety, R2,7 million for Gauteng Department of Health, R269 thousand for Gauteng Department of Education, R142 thousand for Gauteng Department of Social, R1 million relates to salary deductions from employees which were not yet paid to third parties on the cut-off date, this would be paid over on first month of the next financial year. The difference is made up of other payables to third parties.



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

for the year ended 31 March 2024

### 15. Net cash flow available from operating activities

		2023/24	2022/23
	Note	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		41 040	148 473
Add back non-cash/cash movements not deemed operating activities		227 846	-38 452
(Increase)/decrease in receivables		636	18 926
(Increase)/decrease in prepayments and advances		41	-82
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables - current		-21 383	20 201
Proceeds from sale of capital assets		-9 401	-11 378
Expenditure on capital assets		397 542	38 477
Surrenders to Revenue Fund		-139 589	-104 596
<b>Net cash flow generated by operating activities</b>		<b>268 886</b>	<b>110 021</b>

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

		2023/24	2022/23
	Note	R'000	R'000
Consolidated Paymaster General account		25 722	145 029
Cash on hand		32	22
<b>Total</b>		<b>25 754</b>	<b>145 051</b>

Included in the Department PMG account is R16,9 million relating to Voted funds to be surrendered to revenue fund, R3,1 million relating to unpaid invoices on behalf of the client Departments, R500 thousand in relation to payments processed but not yet disbursed in the bank account as at end of financial year and the difference for revenue collected in March 2024 and will be paid in April 2024.

### 17. Contingent liabilities and contingent assets

#### 17.1 Contingent liabilities

			2023/24	2022/23
		Note	R'000	R'000
<b>Liable to</b>	<b>Nature</b>			
Claims against the department		Annex 3B	583 669	315 641
Intergovernmental payables		Annex 5	21	8 201
<b>Total</b>			<b>583 960</b>	<b>323 842</b>

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 2023/24 the Department managed to settle some of the claims.

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

for the year ended 31 March 2024

### 17.2 Contingent assets

		2023/24	2022/23
	Note	R'000	R'000
<b>Nature of contingent asset</b>			
Tshwane Hospital project		1 617	1 617
Delta Park School project		13 809	13 809
Sharpeville ECD and aged day care centre project		2 231	2 231
<b>Total</b>		<b>17 657</b>	<b>17 657</b>

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

### 18. Capital commitments

		2023/24	2022/23
	Note	R'000	R'000
Buildings and other fixed structures		163 599	153 583
Machinery and equipment		-	30
<b>Total</b>		<b>163 599</b>	<b>153 613</b>

*The Department commenced with Solar implementation projects in the current financial year and an improvement on some of the State properties, most of these projects were not yet completed at year end and will be completed in the next financial years.*

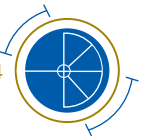
### 19. Accruals and payables not recognised

#### 19.1 Accruals

		2023/24			2022/23
		30 Days	30+ Days	Total	Total
Listed by economic classification	Note	R'000	R'000	R'000	R'000
Goods and services		112 370	-	112 370	9 152
<b>Total</b>		<b>112 370</b>	<b>-</b>	<b>112 370</b>	<b>9 152</b>

#### Listed by programme level

Administration		23 287	4 401
Public works		87 643	4 751
EPWP		1 440	-
<b>Total</b>		<b>112 370</b>	<b>9 152</b>



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

for the year ended 31 March 2024

### 19.2 Payables not recognised

	Note	2023/24			2022/23
		30 Days	30+ Days	Total	Total
Listed by economic classification		R'000	R'000	R'000	R'000
Goods and services		21 819	-	21 682	16 780
Transfers and subsidies		318 521	-	318 521	2 267
Capital assets			-	137	5 557
<b>Total</b>		<b>340 340</b>	<b>-</b>	<b>340 340</b>	<b>24 604</b>
<b>Listed by programme level</b>					
Administration				19 828	9 514
Public works				320 168	13 262
EPWP				344	1 828
<b>Total</b>				<b>340 340</b>	<b>24 604</b>

An increase in payables not recognised is because of in the previous financial year, the Department raised only R2,2 million of accruals as compared to the year 2023/24 financial year, with the accrual amount of R318 million. This was due to the budget challenges and as a result most of Rates and taxes invoice could not be settled, this would subsequently be settled in the next financial year.

	Note	2023/24	2022/23
		R'000	R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 5	8 630	138
Confirmed balances with other government entities	Annex 5	8 497	-
<b>Total</b>		<b>17 127</b>	<b>138</b>

## 20. Employee benefits

	Note	2023/24	2022/23
		R'000	R'000
Leave entitlement		67 680	57 799
Service bonus		31 309	28 019
Capped leave		11 658	12 364
Other		691	1 602
<b>Total</b>		<b>111 338</b>	<b>99 784</b>

Negative leave balances are as follows:

Current cycle: R522 204.90

An increase on employee benefits is mainly because of leave entitlement due to employees which will expire at end of June 2024. This is vacation leave that employees need to utilise before the end of June 2024 otherwise it will be forfeited and cannot be converted into cash payments.

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

for the year ended 31 March 2024

### 21. Lease commitments

#### 21.1 Operating leases

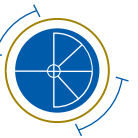
	2023/24				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	364 603	30 763	395 366
Later than 1 year and not later than 5 years	-	-	345 554	23 313	368 867
Later than 5 years	-	-	-	-	-
<b>Total lease commitments</b>	-	-	<b>710 157</b>	<b>54 076</b>	<b>764 233</b>

	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	-	-	-	-	-
<b>Total lease commitments</b>	-	-	<b>1 041 026</b>	<b>140 884</b>	<b>1 181 910</b>

The Department is mandated to make provision for office accommodation and parking to all GPG Departments. Decrease in office accommodation committee is due to expired lease contract. Decrease in machinery and equipment related to expired contract between G-Fleet and DID, currently this contract runs on month-to-month basis.

#### 21.2 Finance leases \*\*

	2023/24				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	887	887
Later than 1 year and not later than 5 years	-	-	-	42	42
Later than 5 years	-	-	-	-	-
<b>Total lease commitments</b>	-	-	-	<b>929</b>	<b>929</b>



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

for the year ended 31 March 2024

### 21.2 Finance leases \*\* (continued)

	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	-	-	-	13 352	13 352
Later than 1 year and not later than 5 years	-	-	-	3 104	3 104
Later than 5 years	-	-	-	-	-
<b>Total lease commitments</b>	-	-	-	<b>16 456</b>	<b>16 456</b>

### 21.3 Operating lease future revenue

	2023/24				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	1 650	-	1 650
Later than 1 year and not later than 5 years	-	-	3 429	-	3 429
Later than 5 years	-	-	14 019	-	14 019
<b>Total operating lease revenue receivable</b>	-	-	<b>19 098</b>	-	<b>19 098</b>

	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
<b>Total operating lease revenue receivable</b>	-	-	<b>21 792</b>	-	<b>21 792</b>

*Department has lease agreements with tenants who are leasing state properties and a decrease is influenced by the reduced number of tenants on these properties and expired contracts.*

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

for the year ended 31 March 2024

### 22. Accrued departmental revenue

		2023/24	2022/23
	Note	R'000	R'000
Tax revenue		-	-
Sales of goods and services other than capital assets		117 944	100 783
<b>Total</b>		<b>117 944</b>	<b>100 783</b>

*An increase on accrued departmental revenue is because of most of the tenants are struggling to pay their rentals due to their own economic challenges such as unemployment and added responsibilities.*

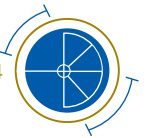
#### 22.1 Analysis of accrued departmental revenue

		2023/24	2022/23
	Note	R'000	R'000
Opening balance		100 783	94 088
Less: amounts received		9 135	10 487
Add: amounts recorded		26 296	26 617
Less: amounts written off/reversed as irrecoverable		-	7 071
Other (Specify)		-	-2 364
<b>Closing balance</b>		<b>117 944</b>	<b>100 783</b>

#### 22.2 Impairment of accrued departmental revenue

		2023/24	2022/23
	Note	R'000	R'000
Estimate of impairment of accrued departmental revenue		104 132	85 877
<b>Total</b>		<b>104 132</b>	<b>85 877</b>

*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 2024

### 23. Unauthorised, Irregular and Fruitless and wasteful expenditure

	Note	2023/24 R'000	2022/23 R'000
Unauthorised expenditure - current year		-	-
Irregular expenditure - current year		130 227	158 243
Fruitless and wasteful expenditure - current year		11 301	48 135
<b>Total</b>		<b>141 528</b>	<b>206 378</b>

*Irregular Expenditure of R130,2 million consists of R112,6 million paid on expired leases, R17,6 million paid on court order.*

*Fruitless and wasteful expenditure mainly consists of R11,3 million interest paid due to a court order settlement on projects implemented on behalf of Department of Health and other municipality late payments charges.*

### 24. Related party transactions

	Note	2023/24 R'000	2022/23 R'000
Tax revenue		-	-
<b>Total</b>		<b>-</b>	<b>-</b>

*List related party relationships and the nature thereof*

- 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 Human settlement and its entities since the two departments are reporting to the same MEC and free use of office Accommodations.
- 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 use Of office building and its entities



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

for the year ended 31 March 2024

### 25. Key management personnel

	Note	2023/24 R'000	2022/23 R'000
Political office bearers (provide detail below)		2 162	2 043
<b>Officials:</b>		-	-
Level 15 to 16		11 068	10 728
Level 14 (incl CFO if at lower level)		19 876	20 591
Level 13		2 510	1 914
Officials:		-	-
<b>Total</b>		<b>35 616</b>	<b>35 276</b>

Increase in key management personnel is in line with annual salary increase for government officials.

### 26. Provisions

	Note	2023/24 R'000	2022/23 R'000
Project retention		5 913	4 903
Litigations provisions		14 191	-
<b>Total</b>		<b>20 104</b>	<b>4 903</b>

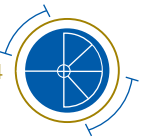
Retention relates to capital projects of which upon completion of these projects, these amounts will be released. A significant increase on provisions is because of litigations that are classified as provisions as possibilities of succeeding in the court room are minimal.

#### 26.1 Reconciliation of movement in provisions - Current year

	2023/24			
	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	-	4 903	-	4 903
Increase in provision	-	15 201	-	15 201
<b>Closing balance</b>	<b>-</b>	<b>20 104</b>	<b>-</b>	<b>20 104</b>

#### Reconciliation of movement in provisions - Prior 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
<b>Closing balance</b>	<b>-</b>	<b>4 903</b>	<b>-</b>	<b>4 903</b>



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

for the year ended 31 March 2024

### 27. Movable Tangible Capital Assets

#### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER For the year ended 31 March 2024

	2023/24				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	-	-	-	-	-
Heritage assets	-	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	<b>152 176</b>		<b>27 334</b>	-	<b>179 510</b>
Transport assets	2 055	-	-	-	2 055
Computer equipment	71 109	-	19 621	-	90 730
Furniture and office equipment	32 410	-	5 613	-	38 023
Other machinery and equipment	46 602	-	2 100	-	48 702
<b>SPECIALISED MILITARY ASSETS</b>	-	-	-	-	-
Specialised military assets	-	-	-	-	-
<b>BIOLOGICAL ASSETS</b>	-	-	-	-	-
Biological assets	-	-	-	-	-
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>152 176</b>	-	<b>27 334</b>	-	<b>179 510</b>

The Department expended R19 million on computer equipment comprising of 323 laptops, 160 desktops, network switches as well as UPS (uninterrupted power supplies). This expenditure was in response to needs that were deferred in the previous financial years due to financial constraints. With regards to furniture and office equipment, R 3,7 million was expended on the procurement of scanners that are utilised in conjunction Enterprise Content Management system (Record care), a record management system and R 1,8 million was expended on the replacement of office chairs. This procurement was implemented to create conducive workspaces for the officials.

#### Movable tangible capital assets under investigation

	Note	Number	Value R'000
<b>Included in the above total of the movable tangible capital assets per the asset register that are under investigation:</b>			
Heritage assets			
Machinery and equipment		3 922	70 049
Specialised military assets			
Biological assets			
<b>Total</b>		<b>3 922</b>	<b>70 049</b>

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 for the new year commences.

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

for the year ended 31 March 2024

### 27. Movable Tangible Capital Assets (*continued*)

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

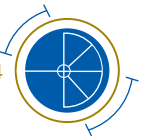
	2022/23				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	-	-	-	-	-
Heritage assets	-	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	<b>139 320</b>	<b>362</b>	<b>12 494</b>	<b>-</b>	<b>152 176</b>
Transport assets	2 055	-	-	-	2 055
Computer equipment	62 346	-	8 763	-	71 109
Furniture and office equipment	30 402	13	1 995	-	32 410
Other machinery and equipment	44 517	349	1 736	-	46 602
<b>SPECIALISED MILITARY ASSETS</b>	-	-	-	-	-
Specialised military assets	-	-	-	-	-
<b>BIOLOGICAL ASSETS</b>	-	-	-	-	-
Biological assets	-	-	-	-	-
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>139 320</b>	<b>362</b>	<b>12 494</b>	<b>-</b>	<b>152 176</b>

*Include discussion here where deemed relevant.*

#### 27.1.1 Prior period error

	2022/23
	R'000
	<b>362</b>
Asset not capitalised in the prior year	13
Asset not capitalized in the prior year	389
Prior period error correcting annual report and reclassification	-40
Relating to 2022/23	-
<b>Total prior period errors</b>	<b>362</b>

*Prior period error relates to workshop equipment that was delivered at year-end therefore there were cut-off errors that had to be corrected.*



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

for the year ended 31 March 2024

### 27.2 Minor assets

#### MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER For the year ended 31 March 2024

	2023/24					
	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	-	31 621	-	31 641
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	1 645	-	1 645
Disposals	-	-	-	-	-	-
<b>Total Minor assets</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>33 266</b>	<b>-</b>	<b>33 286</b>
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	-	-	-	-
<b>Total number of minor assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

*The additions of R 1,4 million relates to workshop equipment for the Maintenance Branch for the newly appointed Artisans and replacements of the items that were no longer functioning.*

#### Minor capital assets under investigation

	Note	Number	Value R'000
Included in the above total of the minor capital assets per the asset register that are under investigation:			
Machinery and equipment		11 736	17 789

*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 for the new year commences.*

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

for the year ended 31 March 2024

### 27.2 Minor assets (continued)

#### MOVEMENT IN MINOR 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
Prior period error	-	-	-	165	-	165
Additions	-	-	-	1 098	-	1 098
Disposals	-	-	-	1 228	-	1 228
<b>Total Minor assets</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>31 621</b>	<b>-</b>	<b>31 641</b>

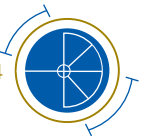
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	11	-	24 899	-	24 910
<b>Total number of minor assets</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>24 899</b>	<b>-</b>	<b>24 910</b>

*Include discussion here where deemed relevant.*

#### 27.2.1 Prior period error

	Note	2022/23 R'000
Nature of prior period error		
Relating to 2022/23 [affecting the opening balance]		165
Workshop equipment additions not capitalized in previous year		165
Relating to 2022/23		-
<b>Total prior period errors</b>		<b>165</b>

*Prior period error relates to workshop equipment that was delivered at year-end therefore there were cut-off errors that had to be corrected.*



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

for the year ended 31 March 2024

### 27.3 Movable tangible capital assets written off

#### MOVABLE CAPITAL ASSETS WRITTEN OFF For the year ended 31 March 2024

	2023/24					
	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	-	-	-	-	-	-
<b>Total movable assets written off</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 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
<b>Total movable assets written off</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 228</b>	<b>-</b>	<b>1 228</b>

*Include discussion here where deemed relevant.*

### 27.4 Movable tangible capital assets: Capital Work-in-progress

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

	Note	2023/24			
		Opening balance 1 April 2023	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2024
		R'000	R'000	R'000	R'000
Heritage assets		-	-	-	-
Machinery and equipment		-	-	-	-
Specialised military assets		-	-	-	-
Biological assets		-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

*Include discussion here where deemed relevant.*

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

for the year ended 31 March 2024

### 27.4 Movable tangible capital assets: Capital Work-in-progress (*continued*)

		2023/24	2022/23
	Note	R'000	R'000
Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress		-	-
<b>Total</b>		<b>-</b>	<b>-</b>

### CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

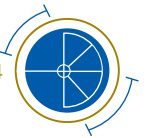
	Note	2024				
		Opening balance 1 April 2022	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2023
		R'000		R'000	R'000	R'000
Heritage assets		-	-	-	-	-
Machinery and equipment		-	-	-	-	-
Specialised military assets		-	-	-	-	-
Biological assets		-	-	-	-	-
<b>Total</b>	<i>Annex 7</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

*Include discussion here where deemed relevant.*

## 28. Intangible Capital Assets

### 28.1. Movement in intangible capital assets per asset register for the year ended 31 March 2024

	2023/24			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>SOFTWARE</b>	<b>87 542</b>	-	-	<b>87 542</b>
	-	-	-	-
<b>MASTHEADS AND PUBLISHING TITLES</b>	-	-	-	-
	-	-	-	-
<b>PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS</b>	-	-	-	-
<b>RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS</b>	-	-	-	-
	-	-	-	-
<b>SERVICES AND OPERATING RIGHTS</b>	-	-	-	-
	-	-	-	-
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>87 542</b>	<b>-</b>	<b>-</b>	<b>87 542</b>



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

for the year ended 31 March 2024

### 28.1. Movement in intangible capital assets per asset register for the year ended 31 March 2024 (continued)

#### Intangible Capital Assets under investigation

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

*Provide reasons why assets are under investigation and actions being taken to resolve the matters.*

### 28.2 Movement in intangible capital assets per asset register for the year ended 31 March 2023

	2022/23				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>SOFTWARE</b>	<b>31 333</b>	<b>14 808</b>	<b>41 401</b>	-	<b>87 542</b>
<b>MASTHEADS AND PUBLISHING TITLES</b>	-	-	-	-	-
<b>PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS</b>	-	-	-	-	-
<b>RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS</b>	-	-	-	-	-
<b>SERVICES AND OPERATING RIGHTS</b>	-	-	-	-	-
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>31 333</b>	<b>14 808</b>	<b>41 401</b>	-	<b>87 542</b>



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

for the year ended 31 March 2024

### 28.2 Movement in intangible capital assets per asset register for the year ended 31 March 2023 (continued)

#### Prior period error

		2022/23
Nature of prior period error	Note	R'000
Relating to 2015/16 [affecting the opening balance]		14 808
Record care		14 808
<b>Total prior period errors</b>		<b>14 808</b>

### 28.3 Intangible capital assets: Capital Work-in-progress

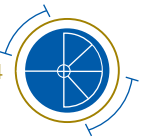
#### CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

		Opening balance 1 April 2023	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2024
	Note	R'000	R'000	R'000	R'000
Intangible assets	Annex 7	-	767	-	767
<b>Total</b>		<b>-</b>	<b>767</b>	<b>-</b>	<b>767</b>

Include discussion here where deemed relevant.

#### PAYABLES NOT RECOGNISED RELATING TO CAPITAL WIP

		2023/24	2022/23
	Note	R'000	R'000
Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress		-	-
<b>Total</b>		<b>-</b>	<b>-</b>



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

for the year ended 31 March 2024

### 28.3 Intangible capital assets: Capital Work-in-progress

#### CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

		Opening balance 1 April 2022	Prior period error	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	R'000
Intangible assets		41 401	-	-	41 401	-
<b>Total</b>		<b>41 401</b>	<b>-</b>	<b>-</b>	<b>41 401</b>	<b>-</b>

## 29. Immovable Tangible Capital Assets

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

	2023/24			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>38 068 900</b>	<b>1 375 720</b>	<b>11 385</b>	<b>39 433 235</b>
Dwellings	444 692	36 381	10 730	470 343
Non-residential buildings	36 654 861	1 332 110	655	37 986 316
Other fixed structures	969 347	7 229	-	976 576
<b>LAND AND SUBSOIL ASSETS</b>	<b>1 685 799</b>	<b>127 644</b>	<b>4 110</b>	<b>1 806 333</b>
Land	1 682 799	127 644	4 110	1 806 333
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>39 751 699</b>	<b>1 503 364</b>	<b>15 495</b>	<b>41 239 568</b>

Additions are attributable to properties that vested during the financial year and capital projects transferred from Department of Education through PFMA Section 42. Disposals are made up of non-core residential properties disposed through an auction process.

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

for the year ended 31 March 2024

### 29. Immovable Tangible Capital Assets (*continued*)

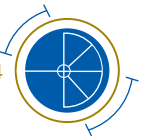
#### Immovable Tangible Capital Assets under investigation

	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
Land and subsoil assets		59	4 277
<b>Total</b>		<b>144</b>	<b>26 984</b>

*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. Various Municipalities have been engaged to ensure valuation of these assets.*

#### 29.1 MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>38 177 522</b>	<b>-485 456</b>	<b>480 829</b>	<b>130 995</b>	<b>38 068 900</b>
Dwellings	437 002	-8 290	25 784	9 804	444 692
Non-residential buildings	36 514 892	-187 326	445 829	118 534	36 654 861
Other fixed structures	1 225 628	-262 840	9 216	2 657	969 347
<b>LAND AND SUBSOIL ASSETS</b>	<b>1 694 349</b>	<b>-81 069</b>	<b>71 124</b>	<b>1 605</b>	<b>1 682 799</b>
Land	1 694 349	-81 069	71 124	1 605	1 682 799
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>39 871 871</b>	<b>-539 525</b>	<b>551 953</b>	<b>132 600</b>	<b>39 751 699</b>



# GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

### 29.1.1 Prior period error

	Note	2022/23
Nature of prior period error		R'000
Relating to 2022/23 [affecting the opening balance]		(539 525)
Correction of Property valuation		(193 859)
Adjustment on transfer of assets		(345 666)
Relating to 2022/23		-
<b>Total prior period errors</b>		<b>(539 525)</b>

The correction of error of R346 million relates to transfer of land parcels acquired in prior years for use by Gautrain Management Agency, and the remainder relates to correction of property valuations.

### 29.2 Immovable tangible capital assets: Capital Work-in-progress

#### CAPITAL WORK-IN-PROGRESS For the year ended 31 March 2024

	Note	2023/24			
		Opening balance 1 April 2023	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2024
	Annex 7	R'000	R'000	R'000	R'000
Buildings and other fixed structures		153 080	359 320	-	512 400
<b>Total</b>		<b>153 080</b>	<b>359 320</b>	<b>-</b>	<b>512 400</b>

The increase in current work in progress is primarily due to Solar panel installation project implemented on various Health institutions.

#### PAYABLES NOT RECOGNISED RELATING TO CAPITAL WIP

	Note	2023/24	2022/23
		R'000	R'000
Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress		-	5 557
<b>Total</b>		<b>-</b>	<b>5 557</b>

Include discussion here where deemed relevant.

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

for the year ended 31 March 2024

### 29.2 Immovable tangible capital assets: Capital Work-in-progress (*continued*)

#### CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2022/23				
		Opening balance 1 April 2022	Prior period error	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	R'000
Buildings and other fixed structures		142 456	-166	13 887	3 097	153 080
<b>Total</b>		<b>142 456</b>	<b>-166</b>	<b>13 887</b>	<b>3 097</b>	<b>153 080</b>

### 29.3 Immovable tangible capital assets written off

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

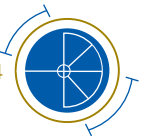
	2023/24			
	Buildings and other fixed structures	Heritage assets	Land and subsoil assets	Total
	R'000	R'000	R'000	R'000
Assets written off				-
<b>Total Immovable capital assets written off</b>				<b>-</b>

*Include discussion here where deemed relevant.*

#### IMMOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Buildings and other fixed structures	Heritage assets	Land and subsoil assets	Total
	R'000	R'000	R'000	R'000
Assets written off				-
<b>Total Immovable capital assets written off</b>				<b>-</b>

*Include discussion here where deemed relevant.*



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

for the year ended 31 March 2024

### 29.4. Immovable capital assets (additional information)

			2023/24	2022/23
		Note	Number	Number
<b>a) Unsurveyed land</b>	<b>Estimated completion date</b>	<i>Annex 9</i>		
<b>b) Properties deemed vested</b>	<b>Duration of use</b>	<i>Annex 9</i>		
<b>Land parcels</b>			1 317	1 317
<b>Facilities</b>				
Schools			254	254
Clinics			20	20
Hospitals			5	5
Office buildings			49	49
Dwellings			189	189
Storage facilities			-	-
Other			800	800
<b>c) Facilities on unsurveyed land</b>	<b>Duration of use</b>	<i>Annex 9</i>		
Schools			-	-
Clinics			-	-
Hospitals			-	-
Office buildings			-	-
Dwellings			-	-
Storage facilities			-	-
Other			-	-
<b>d) Facilities on right to use land</b>	<b>Duration of use</b>	<i>Annex 9</i>		
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 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

### 29.4. Immovable capital assets (additional information) (continued)

		2023/24	2022/23
	Note	Number	Number
<b>e) Agreement of custodianship</b>	Annex 9		
<b>Land parcels</b>			
<b>Facilities</b>		-	-
Schools		-	-
Clinics		-	-
Hospitals		-	-
Office buildings		-	-
Dwellings		-	-
Storage facilities		-	-
Other		-	-

Include discussion here where deemed relevant.

## 30. Prior period errors

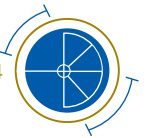
### 30.1 Correction of prior period errors

		2022/23		
		Amount bef error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
<b>Revenue: (Annual Appropriation)</b>				
Administration	1	417 907	61 331	479 238
Public works infrastructure	1	2 774 708	-48 331	2 726 377
EPWP	1	162 620	-13 000	149 620
		<b>3 355 235</b>	<b>-</b>	<b>3 355 235</b>

Annual Appropriation balances were incorrectly disclosed on the previous financial year annual report.

		2022/23		
		Amount bef error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
<b>Liabilities: Contingent Liabilities.</b>				
Intergovernmental payables (Annexure 5)		1 938	6 263	8 201
Commitments		148 074	5 509	153 583
<b>Net effect</b>		<b>150 012</b>	<b>11 772</b>	<b>161 784</b>

An intergovernmental payable for previous financial year (2022/23) was incorrectly captured as R1,938 000 instead of R8,201 000. Commitments previous year balance has been restated after inclusion of an amount of R5,509,000 which was mistakenly omitted in the prior financial year balances.



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

for the year ended 31 March 2024

### 31. Inventories

#### 31.1. Inventories for the year ended 31 March 2024

	2023/24				
	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Total
	R'000	R'000	R'000	R'000	R'000
<b>Opening balance</b>	<b>4 944</b>	<b>490</b>	<b>3 984</b>	<b>5 357</b>	<b>14 775</b>
Add/(Less): Adjustments to prior year balances	-	-	-	-	-
Add: Additions/Purchases - Cash	6 454	15	1	-	6 470
Add: Additions/Purchases - Non-cash	-	-	-	-	-
(Less): Disposals	-	-	-	-	-
(Less): Issues	-2 580	-424	-268	-1 484	-4 756
Add/(Less): Received current, not paid	-	-	-	-	-
(Paid current year, received)	-	-	-	-	-
<b>Add/(Less): Adjustments</b>	<b>-996</b>	<b>-</b>	<b>-</b>	<b>-744</b>	<b>-1 740</b>
<b>Closing balance</b>	<b>7 822</b>	<b>81</b>	<b>3 717</b>	<b>3 129</b>	<b>14 749</b>

*The stock adjustment represents a deficit identified during the count process.*

#### INVENTORIES FOR THE YEAR ENDED 31 MARCH 2023

	2022/23				
	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Total
	R'000	R'000	R'000	R'000	R'000
<b>Opening balance</b>	<b>2 468</b>	<b>2 252</b>	<b>4 009</b>	<b>5 807</b>	<b>14 535</b>
Add/(Less): Adjustments to prior year balances	-803	-1 385	120	463	-1 605
Add: Additions/Purchases - Cash	3 280	44	-	1	3 325
Add: Additions/Purchases - Non-cash	-	-	-	-	-
(Less): Disposals	-	-	-	-	-
(Less): Issues	-1	-421	-145	-914	-1 481
Add/(Less): Received current, not paid	-	-	-	-	-
(Paid current year, received)	-	-	-	-	-
Add/(Less): Adjustments	-	-	-	-	-
<b>Closing balance</b>	<b>4 944</b>	<b>490</b>	<b>3 984</b>	<b>5 357</b>	<b>14 774</b>

*Include discussion here where deemed relevant.*



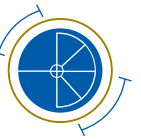
## GAUTENG DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT VOTE 15 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

### 32. Statement of conditional grants received

	2023/24						2022/23														
	GRANT ALLOCATION			SPENT			Division of Revenue Act / Provincial grants	R'000	Amount spent by department	R'000											
Name of grant	Division of Revenue Act / Provincial grants	R'000	Roll overs	R'000	DORA Adjustments	R'000					Other Adjustments	R'000	Total Available	R'000	Amount received by department	R'000	Amount spent by department	R'000	% of available funds spent by department	Under- / (Overspending)	%
EPWP Incentive Grant	9 031		-	-	-	9 031		9 031		9 031		9 031		9 031		100.0 %	-		6 768		6 768
<b>Total</b>	<b>9 031</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>9 031</b>		<b>9 031</b>		<b>9 031</b>		<b>9 031</b>		<b>9 031</b>					<b>6 768</b>		<b>6 768</b>

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. The attainment of the FTE targets met in the previous financial year, contributed to the Department to convince National Treasury to increase allocations to R9 million on the current financial year.



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

for the year ended 31 March 2024

### 33. Statement of transfers paid to municipalities

Name of municipality	2023/24					2022/23		
	GRANT ALLOCATION			TRANSFER		Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
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	R'000
City of Johannesburg	470 327	-	(151 529)	318 798	318 798	-	382 056	186 424
City of Tshwane	410 000	-	(153 533)	256 467	256 467	-	319 932	348 643
Ekurhuleni	208 868	-	26 851	235 719	235 719	-	312 440	312 382
Emfuleni	75 000	-	15 103	90 103	90 103	-	82 792	92 712
Lesedi	23 000	-	(12 487)	10 513	10 513	-	14 672	23 869
Merafong	10 000	-	1 586	11 586	11 586	-	13 624	26 316
Midvaal	10 000	-	1 809	11 809	11 809	-	11 528	9 122
Mogale	10 000	-	(1 472)	8 528	8 528	-	25 152	17 542
DC48 West rand dist Municipality	21 782	-	(3 022)	18 760	18 760	-	14 672	16 425
<b>Total</b>	<b>1 238 977</b>	<b>-</b>	<b>(276 694)</b>	<b>962 283</b>	<b>962 283</b>	<b>-</b>	<b>1 176 868</b>	<b>1 033 435</b>

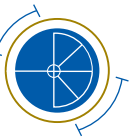
The Department has a mandate to settle Rates and Taxes for state properties in the Gauteng province.

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

for the year ended 31 March 2024

### ANNEXURE 1G STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2023/24				2021/2022	
	TRANSFER ALLOCATION		EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available		
R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Transfers</b>						
Bursaries(non-employees)	-	-	-	-	-	292
Injury on duty	4 000	-	-	4 000	4 562	6 023
Claims against the state	-	-	-	-	-	9
<b>Total</b>	<b>4 000</b>	<b>-</b>	<b>-</b>	<b>4 000</b>	<b>5 234</b>	<b>6 324</b>



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

for the year ended 31 March 2024

### ANNEXURE 3B STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2024

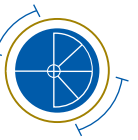
Nature of liability	Opening balance 1 April 2023	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2024
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Claims against the department	315 641	401 997	133 970	-	583 668
<b>Total</b>	<b>315 641</b>	<b>401 997</b>	<b>133 970</b>	<b>-</b>	<b>583 668</b>

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

for the year ended 31 March 2024

### ANNEXURE 4 CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2023/24*	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	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
<b>Department</b>								
Roads and transport	697	-	-	-	697	-	-	-
Gauteng Community safety	5 261	-	-	1 586	5 261	1 586	-	-
Gauteng Department of health	-	4 026	99 428	-	99 428	4 026	-	-
Gauteng Department of Sports, Arts & Culture	-	-	6 195	6 195	6 195	6 195	-	-
<b>Subtotal</b>	<b>5 958</b>	<b>4 026</b>	<b>105 623</b>	<b>7 781</b>	<b>111 581</b>	<b>11 807</b>	-	-
<b>Other Government Entities</b>								
Government Motor Transport	-	-	522	311	522	311	-	-
	-	-	1 637	1 637	1 637	1 637	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>2 159</b>	<b>1 948</b>	<b>2 159</b>	<b>1 948</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>5 958</b>	<b>4 026</b>	<b>107 782</b>	<b>9 729</b>	<b>113 740</b>	<b>13 755</b>	<b>-</b>	<b>-</b>



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

for the year ended 31 March 2024

## ANNEXURE 5 INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2023/24*	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	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
<b>DEPARTMENTS</b>								
<b>Current</b>								
Office of the Premier	3 016	-	-	1 896	3 016	1 896	-	-
North-west Social Department	-	-	21	-	21	-	-	-
Limpopo COGHSTA	121	-	-	-	121	-	-	-
Social Development	59	-	-	-	59	-	-	-
Gauteng Human settlement	21	-	-	-	21	-	-	-
Gauteng department of Agriculture	-	74	-	-	-	74	-	-
COGTA KZN	-	63	-	-	-	63	-	-
Dept of Justice	5 293	-	-	2 663	-	2 663	-	-
Department of Labour	-	-	-	6	-	6	-	-
E-Gov	120	1	-	-	120	1	-	-
<b>Total Departments</b>	<b>8 630</b>	<b>138</b>	<b>21</b>	<b>4 565</b>	<b>8 651</b>	<b>4 703</b>	<b>-</b>	<b>-</b>
<b>OTHER GOVERNMENT ENTITIES</b>								
<b>Current</b>								
G-Fleet	8 497	-	-	3 594	8 497	3 594	-	-
Government printing	-	-	-	42	-	42	-	-
<b>Subtotal</b>	<b>8 497</b>	<b>-</b>	<b>-</b>	<b>3 636</b>	<b>8 497</b>	<b>3 636</b>	<b>-</b>	<b>-</b>
<b>TOTAL INTERGOVERNMENT PAYABLES</b>	<b>17 127</b>	<b>138</b>	<b>21</b>	<b>8 201</b>	<b>17 148</b>	<b>8 339</b>	<b>-</b>	<b>-</b>

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

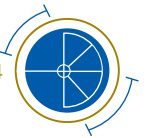
for the year ended 31 March 2024

### ANNEXURE 6 INVENTORIES

	2023/24				
	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
<b>Inventories for the year ended 31 March 2024</b>					
Opening balance	4 944	490	3 984	5 357	14 775
Add: Additions/Purchases - Cash	6 454	15	1	-	6 470
(Less): Issues	-2 580	-424	-268	-1 484	-4 756
Add/(Less): Adjustments	-996	-	-	-744	-1 740
<b>Closing balance</b>	<b>7 822</b>	<b>81</b>	<b>3 717</b>	<b>3 129</b>	<b>14 749</b>

The stock adjustment represent a deficit identified during the stock count process.

	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
<b>Inventories for the year ended 31 March 2023</b>					
Opening balance	2 468	2 252	4 009	5 807	14 536
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	-1 481
<b>Closing balance</b>	<b>4 944</b>	<b>490</b>	<b>3 984</b>	<b>5 357</b>	<b>14 775</b>



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

for the year ended 31 March 2024

### ANNEXURE 7

#### MOVEMENT IN CAPITAL WORK IN PROGRESS

Movement in capital work in progress for the year ended 31 March 2024

	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>153 080</b>	<b>359 320</b>	<b>-</b>	<b>512 400</b>
Dwellings				-
Non-residential buildings	153 080	359 320	-	512 400
Other fixed structures	-	-	-	-
<b>SOFTWARE</b>		<b>767</b>		<b>767</b>
Software		767		767
<b>TOTAL</b>	<b>153 080</b>	<b>360 087</b>	<b>-</b>	<b>513 167</b>

*Include discussion here where deemed relevant.*

Movement in capital work in progress for the year ended 31 March 2023

	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
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>142 456</b>	<b>(166)</b>	13 887	(3 097)	153 080
Dwellings					
Non-residential buildings	142 456	(166)	13 887	(3 097)	153 080
Other fixed structures					
<b>SOFTWARE</b>	<b>41 401</b>			<b>(41 401)</b>	
Software	41 401	-	-	(41 401)	-
<b>TOTAL</b>	<b>183 857</b>	<b>(166)</b>	<b>13 887</b>	<b>(44 498)</b>	<b>153 080</b>

*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 2024

## ANNEXURE 9

### ADDITIONAL INFORMATION ON IMMOVABLE ASSETS

The detail for note 40.4 may be included in this annexure.

Wording to suit their specific circumstances to comply with Chapter 11 on Capital Assets: Appendix A can be inserted here.

In addition to the detail for note 40.4 the department should address the information regarding:

1. Surveyed but unregistered land parcels and
2. Contingent assets.

a) Properties deemed vested		Annexure 9	Number	Number
<b>Land parcels</b>			<b>1 317</b>	<b>1 317</b>
<b>Facilities</b>				
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	Annexure 9	Number	Number
Schools			1 071	1 071
Clinics			45	45
Hospitals			18	18
Office buildings			5	5
Dwellings			6	6
Other			124	124

