

public works
Department:
Public Works
REPUBLIC OF SOUTH AFRICA


2013/14 Annual Report

Presentation to the
Select Committee on Economic Development
25th November 2014
Parliament of South Africa
Cape Town


GRC | M&E | Public Works | CGO | Pretoria


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Public
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Table of Contents



1. Purpose of the presentation
2. Overview
3. Linking the Non-Financial Performance with the Financial Results
4. Reflection on the organisational health and capability to deliver government policy objectives
5. The role of the Department on the Public Works Sector
6. Addressing issues raised by the Auditor-General

 **public works**
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 2

1. Purpose of the Presentation

The Department of Public Works to brief the Select Committee on Economic Development on the 2013/14 Annual Report



2: Overview



Performance Overview

Key Strategic Interventions – Part of Phase 1 of Turnaround -Stabilisation

- Operation Clean Audit
- Operation Project Overhaul
- Asset Register Enhancement Projects
- Lease Review Process
- Property and Facilities Management prescripts [Policy, Strategy specifications guidelines and contract documents.
- ICT overhaul
- Fraud and Corruption
- Establishment of Governance, Risk and Compliance Branch and relevant units



5

Cont.



Key Operational issues

- Adoption of the IDMS that will serve as a catalyst to improve the delivery of infrastructure.
- Development of the Service Delivery Model – with development of standards to improve client relations and service delivery.
- War-room within SCM (procurement) to deal with a huge backlog and improve delivery. The war room, development and implementation of SCM policies are initiatives to improve service delivery.
- Training officials within the SCM processes are major initiators to improve delivery/ procurement processes.
- Continuous efforts to deal with capacity constraints within the Department as well as within the Professional services. Efforts are still geared to changing the Project Manager ratios from 1:20 to 1:5.
- Significant efforts to operationalise PMTE. Through a number of PMTE meetings and discussions PMTE went through cabinet to be an agency



6



3. Linking the Non-Financial Performance With the Financial Results

7

Programme 1 – Performance information

Financial Information	Performance Information
<p>Compensation of Employees</p> <ul style="list-style-type: none"> • Budget Allocation = R239 million • Expenditure = R233 million • Percentage Expenditure = 97% 	<p>Purpose: Provide strategic leadership and support services, including for the accommodation needs and overall management of the department</p> <p>This supports the operations/objectives of the programme through personnel support</p>
<p>Goods and Services</p> <ul style="list-style-type: none"> • Budget Allocation = R844 million • Expenditure = R836 million • Percentage Expenditure = 99% 	<p>The general goods and services largely support the operations of the programme</p> <ul style="list-style-type: none"> • Travelling and subsistence • Stationery • Communication

8

Prog 1 cont.	
Financial Information	Performance Information
<p>Goods and Services</p> <p>Budget allocation includes the following:</p> <ul style="list-style-type: none"> • Office Accommodation (R453 million) • Audit Fees (R59 million) • Turnaround Projects for <ul style="list-style-type: none"> - Clean Audit (R134 million) - Irregular Expenditure (R7 million) - Internal Audit Technical Support (R5 million) - Limpopo Intervention (R1 million) - Support Team (Secondments) (R24 million) - Special Investigation Unit (R7 million) 	<p>Office accommodation to all Head office and all 11 Regional Offices</p> <p>Audit Fees – for the audit performed by the Auditor-General of South Africa</p> <p>Turnaround Projects</p> <p>Clean Audit</p> <ul style="list-style-type: none"> • Improved Audit Opinion • Improved financial controls • Training of young graduates some of which have been absorbed into the Department (Skills transfer including support to the Internal Audit project) <p>Irregular Expenditure</p> <ul style="list-style-type: none"> • Full disclosure of Irregular expenditure for the period between 2009/10 and 2013/14 and investigations have commenced. 1.3 million transactions were reviewed for which approximately R35 billion irregular expenditure as detected. R1.1 billion of this was identified as transactions concluded under dubious circumstances and these have been referred to various investigative authorities to investigate <p>Limpopo Intervention</p> <ul style="list-style-type: none"> • The Department continued to provide support to Limpopo whilst under administration

Programme 1 cont.	
Financial Information	Performance Information
	<p>Internal Audit Support</p> <ul style="list-style-type: none"> • More internal audits conducted • Of the 294 backlog investigations, 110 were completed <p>Turnaround Support Team</p> <ul style="list-style-type: none"> • Support to Department with Turnaround projects • Funds provided for resources to establish the GRC unit <p>Special Investigations Unit</p> <ul style="list-style-type: none"> • Thirty-four (34) matters have been referred to SIU. Thirteen (13) of the investigations have been concluded and Reports issued. • The SIU is currently dealing with 21 investigations, 17 of which have been finalized and are in different stages of the reporting process. • 4 are ongoing

Programme 1 cont.	
Financial Information	Performance Information
<p>Machinery and Equipment (Including Intangible Assets)</p> <ul style="list-style-type: none"> • Budget Allocation = R40 million • Expenditure = R22 million • Percentage Expenditure = 55% 	<p>Machinery and equipment supporting the business operations with the necessary tools of trade</p>



Programme 2 – Performance information	
Financial Information	Performance Information
<p>Compensation of Employees</p> <ul style="list-style-type: none"> • Budget Allocation = R1.122 billion • Expenditure = R1.122 billion • Percentage Expenditure = 100% 	<p>Purpose: Provide and manage government's immovable property portfolio in support of government's social, economic, functional and political objectives.</p> <p>This supports the operations/objectives of the programme through personnel support</p>
<p>Goods and Services</p> <ul style="list-style-type: none"> • Budget Allocation = R254 million • Expenditure = R226 million • Percentage Expenditure = 89% 	<p>The general goods and services largely support the operations of the programme</p> <ul style="list-style-type: none"> • Travelling and subsistence • Stationery • Communication



Prog 2 cont.	
Financial Information	Performance Information
<p>Goods and Services Budget allocation includes the following:</p> <ul style="list-style-type: none"> • Turnaround Projects for <ul style="list-style-type: none"> ▪ Lease Review <ul style="list-style-type: none"> ➢ Budget – R12 million ➢ Expenditure – R12 million ▪ Immovable Asset Register Enhancement <ul style="list-style-type: none"> ➢ Budget – R39 million ➢ Expenditure R39 million <p>The balance of Goods and Services</p>	<p>Lease Review The Lease Review Report produced with a number of recommendations; –</p> <ul style="list-style-type: none"> • New Lease Agreement, • Lease Management Policy and Strategy, • Operating Model • Re-engineered Business Process <p>Immovable Asset Register Enhancement</p> <ul style="list-style-type: none"> • 99,140 properties verified through physical verification and updated in accordance with National Treasury's minimum requirements on DPW's Immovable Asset Register by 31 March 2014 - resulting in 95% complete (in scope) • 15,300 land parcels have been vested by the Department <p>Supporting the operations of the programme</p> <ul style="list-style-type: none"> • Travelling and subsistence • Stationery • Communication



13

Prog 2 cont.	
Financial Information	Performance Information
<p>Transfers and Subsidies</p> <ul style="list-style-type: none"> • Budget Allocation = R906 million • Expenditure = R906 million • Percentage Expenditure = 100% <p>Transfers and Subsidies to:</p> <ul style="list-style-type: none"> ▪ Augmentation f the PMTE <ul style="list-style-type: none"> ➢ Budget – R682 million ➢ Expenditure – R682 million ▪ Independent Development Trust (IDT) <ul style="list-style-type: none"> ➢ Budget – R100 million ➢ Expenditure R100 million 	<p>Augmentation f the PMTE</p> <ul style="list-style-type: none"> • The creation of a fully - functional Property Management Trading Entity within Public Works is at the centre of the turnaround strategy. • As the custodian of the State's assets that fall within Public Works, the PMTE has the key objective of optimising its asset portfolio to ensure effective and efficient cost saving service delivery in line with the developmental objectives of the NDP. • This translates into a key focused investment mandate of ensuring that every asset complies with a lowered total cost of ownership and higher return on investment, while also playing a catalytic role in ensuring more equitable spatial development, balanced urbanisation, and user-friendly government precincts and facilities. • The PMTE differentiates itself as being a modern and professional client centric and revenue focussed entity to ensure lowered service delivery costs, sustainability and growth <p>Independent Development Trust</p> <ul style="list-style-type: none"> • Social Facilitation to sectors and technical support • Support on the Incentive grant and Provide efficient reporting • Trained end users at public bodies and local municipalities • Development and review of Social Sector • Provincial Business Plans



14

Programme 2: Immovable Asset Management	
Financial Information	Performance Information
<ul style="list-style-type: none"> ▪ Construction Industry Development Board (cidb) <ul style="list-style-type: none"> ➢ Budget – R72 million ➢ Expenditure R72 million ▪ Council for the Built Environment (CBE) <ul style="list-style-type: none"> ➢ Budget – R38 million ➢ Expenditure – R38 million ▪ Parliamentary Village Management Board <ul style="list-style-type: none"> ➢ Budget – R8 million ➢ Expenditure R8 million 	<p>Construction Industry Development Board</p> <ul style="list-style-type: none"> • Construction Industry Indicators (CIIs) were published monitoring perceptions of clients, professionals and contractors on procurement and construction • Guidelines for Construction Management Systems (SANS 13930) were published <p>Council for the Built Environment</p> <ul style="list-style-type: none"> • The CBE developed a Governance framework and was adopted by all six Professional Councils • Structured Candidacy Programme implemented in partnership with the Construction Education and Training Agency (CETA). • 6 Policy frameworks on Identification of Work (IDoW) • submitted for consideration by the Competition Commission



Prog 2 cont.	
Financial Information	Performance Information
<p>Infrastructure</p> <ul style="list-style-type: none"> • Budget Allocation = R626 million • Expenditure = R567 million • Percentage Expenditure = 91% <ul style="list-style-type: none"> ▪ Departmental <ul style="list-style-type: none"> ➢ Budget – R 292 million ➢ Expenditure – R249 million ▪ Accessibility <ul style="list-style-type: none"> ➢ Budget – R10 million ➢ Expenditure R7 million ▪ Dolomite <ul style="list-style-type: none"> ➢ Budget – R30 million ➢ Expenditure R25 million 	<p>A total of 179 projects were completed (DPW Capital, Planned Maintenance and Clients Capital)</p> <ul style="list-style-type: none"> • Agrivaal Building – Pretoria (Planned Maintenance) <p>Departmental</p> <p>Ocean Terrace – East London</p> <p>Accessibility</p> <ul style="list-style-type: none"> • 15 buildings made accessible • These include installation of facilities for people with disabilities in Magistrate buildings <p>Dolomite</p> <ul style="list-style-type: none"> • In the areas of Pretoria, Centurion, Lenasia. • These include dolomite risk management for the military areas and upgrading of civil engineering services

Prog 2 cont.	
Financial Information	Performance Information
<ul style="list-style-type: none"> ▪ Land Ports of Entry <ul style="list-style-type: none"> ➢ Budget – R192 million ➢ Expenditure R192 million ▪ Inner-City Regeneration (ICR) <ul style="list-style-type: none"> ➢ Budget – R36 million ➢ Expenditure R36 million ▪ Prestige <ul style="list-style-type: none"> ➢ Budget – R66 million ➢ Expenditure R58 million 	<p>Land Ports of Entry These projects include among others: Skilpadshek Facilities management contracts at:</p> <ul style="list-style-type: none"> • Sani Pass • Mananga • Lebombo <p>Inner-City Regeneration (ICR) Clearing of site, legislative processes as well consultancy fees associated with the following</p> <ul style="list-style-type: none"> - Establishment of Salvokop Township - Construction of head office Stats SA - Continuation of upgrades at 38 Church Square (NT offices) <p>Prestige Provision of residential and office accommodation for Executive and Parliament</p> <ul style="list-style-type: none"> • Client Value Proposition Framework developed • Prestige norms and standards developed



Prog 2 cont.	
Financial Information	Performance Information
<ul style="list-style-type: none"> • PMTE Clients <p>Budget Allocation = R2 billion Expenditure = R1.4 billion Percentage Expenditure = 70%</p> <p>Machinery and Equipment (Including Intangible Assets)</p> <ul style="list-style-type: none"> • Budget Allocation = R59 million • Expenditure = R40 million • Percentage Expenditure = 68% 	<p>PMTE Clients These include the development of</p> <ul style="list-style-type: none"> • Prisons for DCS • Magistrate offices • Police Stations • Museums on behalf of the Dept. of Arts and Culture (example - Nelson Mandela Museum in Mthatha) <ul style="list-style-type: none"> • Machinery and equipment supporting the business operations



Programme 3 – Performance information	
Financial Information	Performance Information
<p>Compensation of Employees</p> <ul style="list-style-type: none"> • Budget Allocation = R108 million • Expenditure = R108 million • Percentage Expenditure = 100% 	<p>Purpose: Ensure the creation of work opportunities and the provision of training for unskilled, marginalised and unemployed people in South Africa by coordinating the implementation of the expanded public works programme</p> <p>This supports the operations/objectives of the programme through personnel support</p>
<p>Goods and Services</p> <ul style="list-style-type: none"> • Budget Allocation = R162 million • Expenditure = R162 million • Percentage Expenditure = 100% 	<p>Supporting the operations of the programme</p> <ul style="list-style-type: none"> • Travelling and subsistence • Stationery • Communication



19

Prog 3 cont.	
Financial Information	Performance Information
<p>Transfers and Subsidies</p> <ul style="list-style-type: none"> • Budget Allocation = R1.664 billion • Expenditure = R1.660 billion • Percentage Expenditure = 99% <p>Transfers and Subsidies to:</p> <ul style="list-style-type: none"> ▪ EPWP Integrated Grant for Provinces <ul style="list-style-type: none"> ➢ Budget – R357 million ➢ Expenditure – R354 million ▪ EPWP Integrated Grant for Municipalities <ul style="list-style-type: none"> ➢ Budget – R611 million ➢ Expenditure R611 million ▪ EPWP Social Sector Incentives to Provinces <ul style="list-style-type: none"> ➢ Budget – R258 million ➢ Expenditure R256 million 	<p>A budget of R10 million for was allocated to provide technical support to Non-state Sector during the 2013/14 financial year.</p> <ul style="list-style-type: none"> • 261 Municipalities reported on EPWP targets • 718 youth participating in the NYS programme • 1 012 664 work opportunities reported through EPWP • 144 463 work opportunities created on access roads projects were reported by end of Q4, 2013/14



20

Prog 3 cont.	
Financial Information	Performance Information
<ul style="list-style-type: none"> ▪ EPWP Non-State Sector Incentives <ul style="list-style-type: none"> > Budget – R438 million > Expenditure R438 million 	

21

Prog 3 cont.	
Financial Information	Performance Information
<p>Machinery and Equipment</p> <ul style="list-style-type: none"> • Budget Allocation = R2.6 million • Expenditure = R1.5 million • Percentage Expenditure = 59% 	Machinery and equipment supporting the business operations

22

Programme 4 – Performance information	
Financial Information	Performance Information
<p>Compensation of Employees</p> <ul style="list-style-type: none"> • Budget Allocation = R11 million • Expenditure = R9 million • Percentage Expenditure = 79% 	<p>Purpose: Promote the growth and transformation of the construction and property industries. Promote uniformity and best practice in construction and immovable asset management in the public sector</p> <p>This supports the operations/objectives of the programme through personnel support</p>
<p>Goods and Services</p> <ul style="list-style-type: none"> • Budget Allocation = R26 million • Expenditure = R14 million • Percentage Expenditure = 54% 	<ul style="list-style-type: none"> • Draft ASA Bill approved by Cabinet for gazetting for public comment in December 2013 • Improved performance of infrastructure due to advancements in products & building systems



Prog 4 cont.	
Financial Information	Performance Information
<p>Transfers and Subsidies</p> <ul style="list-style-type: none"> • Budget Allocation = R0 million • Expenditure = R10 million • Percentage Expenditure = % 	<p>Transfer to Agrément SA to fund its operations. Budget is allocated under economic classification Goods & Services but should be under Transfers & Subsidies (Agrément SA not yet a registered entity).</p>



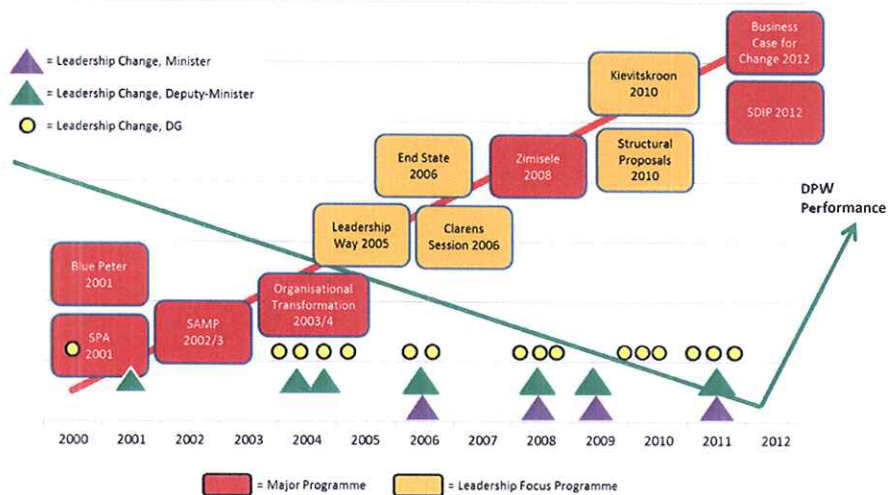
Programme 5 – Performance information	
Financial Information	Performance Information
<p>Goods and Services</p> <ul style="list-style-type: none"> • Budget Allocation = R78 million • Expenditure = R78 million • Percentage Expenditure = 100% 	<p>Purpose: Provide for various services, including compensation for losses on the government assisted housing scheme and assistance to organisations for the preservation of national memorials. Meet the protocol responsibilities for state functions</p> <p>State Functions</p> <p>This supports the operations/objectives of the programme through personnel support particularly on State Functions</p> <ul style="list-style-type: none"> • Infrastructure support provided for 14 planned Prestige Events • Infrastructure support provided for 12 unplanned Prestige Events

Prog 5 cont.	
Financial Information	Performance Information
<p>Transfers and Subsidies</p> <ul style="list-style-type: none"> • Budget Allocation = R23 million • Expenditure = R19 million • Percentage Expenditure = 82% <p>Transfers and Subsidies to:</p> <ul style="list-style-type: none"> ▪ Preservation of National Memorials <ul style="list-style-type: none"> ➢ Budget – R20.5 million ➢ Expenditure – R17.6 million ▪ Sector Education And Training Authority <ul style="list-style-type: none"> ➢ Budget – R2.7 million ➢ Expenditure R1.5 million 	<ul style="list-style-type: none"> • Provide assistance to organisations for the preservation of national memorials – i.e. Commonwealth War Graves Commission <p>Sector Education and Training Authority</p> <ul style="list-style-type: none"> • Aims to influence training and skills development throughout the construction industry.

4. Reflection on the organisational health and capability to deliver government policy objectives

General Remarks on Performance

The Journey of the Department with changes in leadership and initiatives



Cont.

Development of an Appropriate Structure

- The lack of capacity to deliver on the Department's mandate effectively and efficiently is attributed largely to the lack of appropriate property management and construction professional and technical expertise.
- The National Treasury approved the establishment of the Property Management Trading Entity (PMTE) in March 2006 in terms of the PFMA which is not supported by the current structure. This is being addressed and adverts for certain strategic positions have already been placed

Fighting Fraud and Corruption

- To redeem the brand value and integrity of the Department, the Minister prioritised and championed Fighting Fraud and Corruption project. Because of its strategic importance and findings of the investigations pointing at the Department weak governance systems, a structured approach was developed to achieve specific deliverables. This included the Anti - Fraud and Corruption Communication Campaign

Governance, Risk and Compliance

- The nature of the Department business requires a structured approach to deal with risk and compliance issues. To facilitate the Department's response to business requirements effectively, the Governance, Risk and Compliance Branch has been established to develop and implement a structured approach that integrates governance, planning, risk management, Service Delivery Improvement and monitoring and evaluation.



29

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Restructuring the Department's Supply Chain Management

- Supply Chain management is at the heart of the Department as it is responsible for provisioning of goods and services to all business operations of the department. Over time, supply chain became progressively dysfunctional and became a key focus area of the previous audit outcomes. Four discrete areas were identified for which tailored procurement regimes would be required:
 - Construction Projects
 - Property Management
 - Goods and Services
 - Prestige Services

Developing an ICT Strategy, Architecture and Platform

- The ITC systems were identified as critical to the Department's business operations and it was recognised that this area was under - resourced and lacked a clear strategy. The current infrastructure's capacity to deliver and meet the needs of end - users has been made a priority. The objective of this project is to develop clear systems and infrastructure roadmap or strategy. Going forward, significant ITC investment decisions are being made with regard to enterprise software options, on both office automation and key business support applications to provide sustainable ITC services that support the business.



30

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Improving Infrastructure Delivery through Application Infrastructure Delivery Management System (IDMS)

- The mechanisms of IDIP outline the best practice on how to structure the value chain process for delivering public infrastructure. The IDIP recognises that infrastructure follow four key transformational milestones (life cycle stages) being
 - infrastructure planning
 - infrastructure acquisition,
 - infrastructure management,
 - disinvestment/ refurbishment

The Department will build professional capacity and capabilities to plan infrastructure based on the actual needs of Users (UAMP's/CAMP's), capacity to develop appropriate acquisition strategies and acquisition, the ability to manage properties in the best interest of the state, and continuously find best use of existing properties to meet future demands.

The adoption of the IDIP process implies a total restructuring of the current value chain process which if not implemented may compromise the delivery of infrastructure along the value chain. Within the Project Management environment, progress has been made in documenting new project management forms, and delegations.

The process of reprioritising projects implementation dates and adjustments of budget allocation has commenced.



31

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Operationalization of the Property Management Trading Entity (PMTE)

As the PMTE Account constitutes 75% of the work and budget of Public Works and it is the largest property portfolio in South Africa, the operationalisation of the PMTE has been identified as one of the Minister of Public Works' five key priorities for the period of this Administration (2014-2019). Other priorities include transforming the Built Environment – including both construction and property sectors. Whilst this involves other branches, a key site of delivery is the PMTE.

Since April 2013, significant progress has been made in the operationalization of the PMTE as per the 2006 National Treasury approval.

- An Acting Head of the PMTE has been appointed to drive the full operationalization of the PMTE.
- Key property management specialists have been appointed on the transitional management structure
- The Property Management Trading Entity has been operationalised and functions and immovable assets were transferred from DPW to the PMTE.
- Draft PMTE structure has been submitted to DPSA for approval.
- Working with National Treasury in developing the PMTE budget Programme Structure.
- The recruitment of PMTE executive management on Performance based contracts, is under way
- GRAP compliant financial management systems and controls were developed and implemented.
- GRAP compliant Itemised Accounting & billing system has been procured.



32

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In this regard, the PMTE Account, moved from a disclaimed to a qualified opinion.

- The PMTE business model has been revised to address the AG's issues.
- A Business Case for establishing the PMTE as a Government Component, has been developed and has been approved in principle by Cabinet.

In providing a solid basis for developing this model, achievements include:

- the renewal of 90% of all expired leases in terms of the National Treasury dispensation
- the development of an Immovable Asset Register for the State, the first of its kind, that is 98% complete

5. The role of the Department on the Public Works Sector

Publics Works Sector

The National Treasury *Framework for Managing Programme Performance Information (FMPPi) in 2007* clarifies the definitions and standards for performance information on concurrent mandate in support of :

- regular audits
- improve integrated structures,
- systems and processes required to manage performance information
- promote accountability and transparency by providing Parliament, provincial legislatures, municipal councils and the public with timely, accessible and accurate performance information

Chapter 7 of the FMPPi - Roles And Responsibilities under section 7.3 (National Departments responsible for concurrent functions) states that the National Departments responsible for concurrent functions need to be directly involved in developing the systems and structures to collect performance information on these functions across all spheres of Government.

Therefore, DPW plays an important oversight role in the Sector



35

Customised Indicators for 2015/16 FY

The following are the programmes by Provincial Departments regarding sector performance

7.1 Programme 2: Public Works Infrastructure

- 7.1.1 Sub Programme 2.2: Planning
- 7.1.2 Sub Programme 2.3: Design
- 7.1.3 Sub Programme 2.4: Construction
- 7.1.4 Sub Programme 2.5: Maintenance
- 7.1.5 Sub Programme 2.6: Immovable Asset Management
- 7.1.6 Sub Programme 2.7: Facilities Operations

7.2 Programme 3: Expanded Public Works Programme

- 7.2.1 Sub Programme 3.2: Community Development
- 7.2.2 Sub Programme 3.3: Innovation and Empowerment
- 7.2.3 Sub Programme 3.4: Co-ordination and Compliance Monitoring



36

Impact on the Sector

The Public Works Sector seeks to impact on the following:

- Delivery of infrastructure in order to meet government's priorities
- Effective and management of property (private leases and state owned buildings) - To **save** costs to the sector and the fiscus (move away from leasing-in, optimal utilisation of State stock and revenue generation
- Maintenance of state property for optimal usage
- Safeguarding the State's assets from vandalism, theft and invasion
- Creation of work opportunities and sustain livelihoods of the citizens
- Transformation in the property and construction industries
- Development of emerging contractors, women and youth

The issues above are currently being dealt with at the

- National Treasury – DPW 10x10 meetings
- CFO's Forums
- Technical MinMec
- Political MinMec
- Various DPW/Provincial Forums
- PMTE MANCO / PMTE Forums



37

6. Issues raised by the Auditor-General





38

Audit Findings And Corrective Measures

- Detailed action plans per branch developed to deal with audit findings
- Branch heads have certified the plans for accountability purposes
- Audit action plans presented to Audit Committee which provided inputs
- Audit action plans were reviewed by internal audit
- AGSA is currently performing reviews on the action plans



Finding	Corrective actions
Material under-spending of the vote	Improved project planning (Implementation of IDMS), Accountability EXCO quarterly review of infrastructure spent
Procurement and contract management – quotation and tender dispensation not effective	SCM reforms in progress (Demand and Acquisition Management, contract administration, support and reporting management and procurement processes)
Ineffective document management	
Reliability of reported information	Increased oversight and accountability
Strategic planning and performance management	Establishment of a fully functional governance framework regarding consequence management
Consequence management	



39

PMTE - Current Interventions On Irregular Expenditure

- The Department had meetings with the AGSA and Office of the Accountant-General (OAG) – National Treasury - regarding completeness of PMTE IE and condonement of reported transactions
- AGSA obtained a technical opinion and agreed that the Audit qualification can be resolved if:
 - All documentation are provided for prior year limitation of scope
 - Narrative to be included on the impracticability of revisiting the population on disagreement findings.
- The Proposal on condonement framework was presented to OAG and feedback is anticipated by end of December 2014

Finding	Corrective actions
Irregular expenditure – Completeness and accruals basis	Provide AGSA with all supporting documentation for the opening balance. Also refer to previous slide
Operating leases – not accurately accounted for	All lease data to be verified and accounting records corrected. Implementation of lease management module
Accruals – inadequate system to identify and record all accruals	Implementation of the procured billing and accounting system including the purchasing module



40

Thank You



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