

Department of Water and Sanitation

ANNUAL REPORT

2020 | 2021

VOTE 41





**PART A: GENERAL INFORMATION**

1	DEPARTMENT GENERAL INFORMATION-----	1
2	LIST OF ABBREVIATIONS/ ACRONYMS-----	2
3	FOREWORD BY THE MINISTER-----	6
4	DEPUTY MINISTERS STATEMENTS-----	8
5	REPORT OF THE ACCOUNTING OFFICER-----	12
6	STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT-----	24
7	STRATEGIC OVERVIEW-----	25
	7.1 Vision-----	25
	7.2 Mission-----	25
	7.3 Values-----	25
8	LEGISLATIVE AND OTHER MANDATES-----	26
9	ORGANISATIONAL STRUCTURE-----	29
10	ENTITIES REPORTING TO THE MINISTER-----	30

**PART B: PERFORMANCE INFORMATION**

1	AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES-----	32
2	OVERVIEW OF DEPARTMENTAL PERFORMANCE-----	32
	2.1 Service delivery environment-----	32
	2.2 Service delivery improvement plan-----	46
	2.3 Organisational environment-----	47
	2.4 Key policy developments and legislative changes-----	48
3	DEPARTMENTAL OUTCOMES-----	50
4	PROGRAMME PERFORMANCE INFORMATION REPORT-----	52
	4.1 Programme 1: Administration-----	52
	4.2 Programme 2: Water Planning and Information Management-----	59
	4.3 Programme 3: Water Infrastructure Development-----	70
	4.4 Programme 4: Water Sector Regulation-----	103
5	TRANSFER PAYMENTS-----	111
	5.1 Transfer payments to public entities-----	111
	5.2 Transfer payments to all organisations other than public entities-----	112
6	CONDITIONAL GRANTS-----	118
	6.1 Conditional grants and earmarked funds paid-----	118
	6.2 Conditional grants and earmarked funds received-----	120
7	DONOR FUNDS-----	121
8	CAPITAL INVESTMENT-----	122

**PART C: GOVERNANCE**

1	INTRODUCTION-----	124
2	RISK MANAGEMENT-----	124
3	FRAUD AND CORRUPTION-----	125
4	MINIMISING CONFLICT OF INTEREST-----	126
5	CODE OF CONDUCT-----	126
6	HEALTH SAFETY AND ENVIRONMENTAL ISSUES-----	126
7	PORTFOLIO COMMITTEES-----	127
8	SCOPA RESOLUTIONS-----	137
9	PRIOR MODIFICATIONS TO AUDIT REPORTS-----	137
10	INTERNAL CONTROL UNIT-----	137
11	INTERNAL AUDIT AND AUDIT COMMITTEES-----	138

**PART D: HUMAN RESOURCE MANAGEMENT**

1	INTRODUCTION-----	142
2	OVERVIEW OF HUMAN RESOURCES-----	142
3	HUMAN RESOURCES OVERSIGHT STATISTICS-----	143
3.1	Personnel related expenditure-----	143
3.2	Employment and vacancies-----	147
3.3	Filling of SMS posts-----	151
3.4	Job evaluation-----	153
3.5	Employment changes-----	155
3.6	Employment equity-----	164
3.7	Signing of performance agreements by SMS members-----	171
3.8	Performance rewards-----	172
3.9	Foreign workers-----	178
3.10	Leave utilisation-----	179
3.11	HIV/AIDS & health promotion programmes-----	182
3.12	Labour relations-----	183
3.13	Skills development-----	185
3.14	Injury on duty-----	187
3.15	Utilisation of consultants-----	187
3.16	Severance packages-----	191

**PART E: ANNUAL FINANCIAL STATEMENTS - MAIN ACCOUNT**

Appropriation Statement-----	204
Notes to the Appropriation Statement-----	252
Statement of Financial Performance-----	255
Statement of Financial Position-----	256
Statement of Changes in Net Assets-----	257
Cash Flow Statement-----	257
Notes to the Annual Financial Statements (including Accounting policies)-----	258
Annexures-----	321

**PART F: ANNUAL FINANCIAL STATEMENTS - WATER TRADING ENTITY**

Audit Committee Report-----	357
Report of the Auditor General-----	362
Annual Financial Statements-----	369





# PART A: GENERAL INFORMATION

## DEPARTMENT GENERAL INFORMATION

<b>PHYSICAL ADDRESS</b>	185 Francis Baard Street • Pretoria • 0001
<b>POSTAL ADDRESS</b>	Private Bag X313 • Pretoria • 0001
<b>TELEPHONE NUMBER</b>	(012) 336 7500
<b>FAX NUMBER(S)</b>	012 323 4470 or 012 326 2715
<b>EMAIL ADDRESS</b>	CentralP@dws.gov.za
<b>WEBSITE ADDRESS</b>	<a href="http://www.dws.gov.za">www.dws.gov.za</a>

## LIST OF ABBREVIATIONS/ ACRONYMS

Abbreviation / Acronym	Description
AGSA	Auditor-General of South Africa
AMCOW	African Ministers' Council on Water
AMD	Acid Mine Drainage
AOA	Annual Operating Analysis
APP	Annual Performance Plan
AU	African Union
BEP	Bucket Eradication Programme
BGCMA	Breede-Gouritz Catchment Management Agency
BoQ	Bill of Quantities
BSC	Bid Specification Committee
BWS	Bulk Water Supply
CAPEX	Capital Expenditure
CFO	Chief Financial Officer
CMA	Catchment Management Agency
CoE	City of Ekurhuleni
COGTA	Cooperative Governance and Traditional Affairs
CoT	City of Tshwane
COVID	Coronavirus Disease
DBAC	Departmental Bid Adjudication Committee
DBC	Departmental Bargaining Chamber
DBSA	Development Bank of South Africa
DDG	Deputy Director-General
DDM	District Development Model
DG	Director-General
DLTC	Driving Licence Testing Centres
DM	District Municipality
DPSA	Department of Public Service and Administration
DWS	Department of Water and Sanitation
EC	Eastern Cape
ECO	Environmental Control Officer
ECSA	Engineering Council of South Africa
ELM	Emfuleni Local Municipality
EME	Exempted Micro Enterprise
EMI	Environmental Management Inspectorate
ESIEID	Economic Sector, Investment, Employment, and Infrastructure Development
EWSETA	Energy Water Sector Education and Training Authority
EXCO	Executive Committee
FMFS	Flood Monitoring and Forecasting System
FS	Free State
GAAP	Generally Accepted Accounting Principles
GIS	Geographical Information System

Abbreviation / Acronym	Description
GIZ	Gesellschaft für Internationale Zusammenarbeit
GP	Gauteng
GRAP	Generally Recognised Accounting Practice
GT	Graduate Trainee
GTI	Guidelines for Technical Implementation
GWS	Government Water Scheme
HDA	Housing Development Agency
HDI	Historically Disadvantaged Individual
HY	Hydrological Year
HYDSTRA	Hydrological Information System
IDBAC	Infrastructure Departmental Bid Adjudication Committee
IMTT	Inter-Ministerial Task Team
IPIP	Infrastructure Programme Implementation Plan
IRIS	Integrated Regulatory Information System
IRS	Implementation Readiness Study
IT	Information Technology
IUCMA	Inkomati-Usuthu Catchment Management Agency
IWRM	Integrated Water Resources Management
JICA	Japan International Cooperation Agency
JWP	Joint Work Programme
KOBWA	Komati River Basin Water Authority
KSD	King Sabata Dalindyebo
KZN	KwaZulu-Natal
LHWP	Lesotho Highland Water Project
LIMCOM	Limpopo Watercourse Commission
LM	Local Municipality
LNW	Lepelle Northern Water
LP	Limpopo
LWUA	Lebalelo Water User Association
MCWAP	Mokolo-Crocodile (West) Water Augmentation Project
MoU	Memorandum of Understanding
MP	Mpumalanga
MTEF	Medium Term Expenditure Framework
MuSSA	Municipal Strategic Self-Assessment
NA	National Assembly
NAMP	National Asset Management Plan
NAT	National
NC	Northern Cape
NCMP	National Chemical Monitoring Programme
NCOP	National Council of Provinces
NDP	National Development Plan
NEMP	National Eutrophication Monitoring Programme
NEPAD	New Partnership for Africa's Development

Abbreviation / Acronym	Description
NGIS	National Groundwater Information System
NIWIS	National Integrated Water Information System
NOC	National Occupational Classification
NT	National Treasury
NW	North West
NWA	National Water Act
NWRS	National Water Resources Strategy
NWSMP	National Water and Sanitation Master Plan
O & M	Operations and Maintenance
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OHS	Occupational Health and Safety
OKP	Orange Knowledge Programme
OPEX	Operating Expenditure
ORWRDP	Olifants River Water Resource Development Project
OSD	Occupation Specific Dispensation
PCHSWS	Portfolio Committee for Human Settlements, Water and Sanitation
PFMA	Public Finance Management Act
POPIA	Protection of Personal Information Act
PPE	Personal Protective Equipment
PPI	Programme Performance Indicator
PSC	Public Service Commission
PSP	Professional Service Provider
QSE	Qualifying Small Enterprise
RAP	Resettlement Action Plan
RBIG	Regional Bulk Infrastructure Grant
RID	Record of Implementation Decisions
RoD	Record of Decision
RPF	Resource Poor Farmer
RQO	Resource Quality Objective
SACNSP	South African Council for Natural Science Professions
SADC	Southern African Development Community
SALGA	South African Local Government Association
SANWATCE	Southern African Network of Water Centres of Excellence
SARS-CoV-2	Severe Acute Respiratory Syndrome Coronavirus 2
SAYWP	South African Youth Water Prize
SCM	Supply Chain Management
SCOA	Standing Committee on Appropriations
SCOPA	Standing Committee on Public Accounts
SEIAS	Socio-Economic Impact Assessment System
SFRA	Stream Flow Reduction Activity
SLA	Service Level Agreement
SMME	Small Medium Micro Enterprise



Abbreviation / Acronym	Description
SOF	System Operating Forum
SPCHD	Social Protection Community and Human Development
SPI	Standard Precipitation Index
SWIO	South West Indian Ocean
TCTA	Trans Caledon Tunnel Authority
ToR	Terms of Reference
VO	Variation Order
VRS	Vaal River System
VRSI	Vaal River System Intervention
VWSEP	Vision for Water and Sanitation Education Programme
WC	Western Cape
WCWDM	Water Conservation Water Demand Management
WCWSS	Western Cape Water Supply System
WDCS	Waste Discharge Charge System
WMA	Water Management Area
WMS	Water Management System
WQ	Work Quotation
WRC	Water Research Commission
WSA	Water Service Authority
WSIG	Water Services Infrastructure Grant
WSS	Water Supply System
WTW	Water Treatment Work
WULA	Water Use Licence Authorisation
WWTW	Wastewater Treatment Work

### 3 FOREWORD BY THE MINISTER

The past year, like the one before it, has been a difficult one for all countries of the world. The COVID-19 pandemic brought unique challenges to every sphere of life and, in certain sectors, brought economic and other functionality challenges. This meant that government, across all spheres, needed to adjust its priorities and implement budget adjustments and reprioritisation in response to the realities brought on by the devastation of the pandemic on the economy and the citizens of the country. It also meant that efficient resource use became even more crucial.

The department was not spared from these hardships. Restrictions associated with the mitigation of the negative impact of the pandemic also affected the department. At the same time, the department needed to ensure that it continued its commitment to effectively manage the country's water resources to ensure equitable and sustainable socio-economic development and universal access to water and dignified sanitation. It needed to implement its policies and programmes to ensure that water reached every household in the country, maintain a pool of skilled personnel, and ensure that projects continue to be implemented and are geared towards completion. This report indicates that to a large extent, the Department worked hard to achieve the goals it set for itself.

An effective water sector requires human resources capacity for different functions at different institutions – both in terms of numbers to meet demand for specific skills, and competencies in terms of skills, qualifications, and experience. The Department stood firm in ensuring that it maintains the necessary skills and that it feeds to the skills gap within the sector. Internally, we have filled the post of the Director-General, Deputy Directors-General, and other senior management posts to stabilise the administration and rejuvenate our programme implementation capacity. In its fourteenth anniversary, the Department's Learning Academy continued to lead a sustained campaign to secure a steady supply of high-level skills in water-related science, engineering, and technical disciplines to meet projected demands. We have continued with the awarding of bursaries, learner internships, placement of graduate trainees in the Department, and permanent placement of candidates within the Department after completing their respective rotational training and development programmes, and upon registration where applicable to ensure continuous supply of necessary skills in the Department and the sector as a whole.

We also continued to develop comprehensive plans for adequate water resource availability in an equitable and environmentally sustainable manner to guide infrastructure development, systems, and services management in the water sector. The report refers to the completion of the reconciliation strategies for various areas, together with the completion of the annual operating rules and specialist studies for a number of several Water Supply Systems (WSS). The climate change risk and vulnerability assessments mean the Department is better positioned for better planning strategies for the sustainable water resources in the country.

We continued to develop measures that protect water resources by developing water resource classes and determining resource quality objectives for river systems, finalising the water resource classes for Thukela. We also established, coordinated, and audited water resource monitoring networks / programmes as well as developed and maintained water information systems to create a knowledge base on all water aspects for informed decisions on water management. The report also reveals that the Department continued to develop strategies, guidelines, plans and information management for water and sanitation across the value chain.

A national strategy for the planning of sanitation services is key in supporting municipalities in planning of the provision of sustainable sanitation. For the period under review, the national sanitation situational analysis was finalised. Furthermore, a conceptual framework for the national faecal sludge management strategy for on-site sanitation was developed.

We monitored and reviewed the implementation of water and sanitation sector policies and strategies. We also provided for the design, construction, commissioning, and management of new and existing water resource infrastructure. Major projects in the period under review included Mokolo Crocodile (West) Water Augmentation Project phase 2A, the Olifants River Water Resource Development Project Phase 2D and the Lusikisiki Regional Water Supply Scheme (Zalu Dam).



Through the regional bulk infrastructure grant we provided for the development of new infrastructure, and the refurbishment, upgrading and replacing of ageing infrastructure servicing extensive areas across municipal boundaries through a total of 106 regional bulk infrastructure project phases. We also provided for the construction of new infrastructure and the rehabilitation of existing water and sanitation infrastructure through the grant transfer of water services schemes to water service institutions, prioritising the 27 poorest district municipalities.

The Department also implemented its international relations programme that saw the initiation of new strategic co-operations and the implementation of existing agreements with African and global countries.

We took a bold step to The Department conducted a legislative review which sought to consolidate the National Water Act, 1998 (NWA) and the Water Services Act, 1997 (WSA) to a single legislation called the National Water and Sanitation Act (the Act) in order to clarify the legislative framework regarding water management across the water and sanitation value chain. We also produced the Draft Mine Water Management policy through which to we will balance the mining sector's economic development with the protection and ensuring sustainable use of water resources in a manner that is beneficial to all; the Sustainable Hydropower Generation Policy through which to support the long-term energy master plan that pursues hydropower as part of the energy mix; and the Integrated Water Quality Management Policy through which to we will develop an intergovernmental water quality management approach which would will facilitate an integrated response to address water quality management challenges in the country.

The Department of Water and Sanitation has a particular mandate that seeks to deliver the very basic services which are at the core of the country's socio-economic development. This is what drives the ruling party to ensure that the advances that have been made thus far, of ensuring sustainable water delivery to the poorest of the poor and the vulnerable is sustained. We need to report to communities continually on the work that is on the ground, for the benefit of all.

Youth and women development cannot be stifled by a lack of service delivery. The protection and empowerment of women and girl children is paramount. The delivery of these basic services therefore is meant to ensure such protection and empowerment.

The one thing that has driven this Ministry in this period is to see the actual change to people's lives through the efforts that we have put together as Ministry and the Department. We will drive one another further to realise the absolute goal of universal access to basic services by the people of the Republic of South Africa.



**Mr S Mchunu (MP)**  
**Minister of Water and Sanitation**

**Date: 06 June 2022**

## 4 DEPUTY MINISTER'S STATEMENT

Water is an integral part of the ecosystem, a natural resource and a social and economic good, whose quantity and quality determine the nature of its utilisation. Water is a limiting resource for development in Southern Africa and a change in water supply could have major implications in most sectors of the economy. Factors that contribute to vulnerability of water systems in Southern Africa include seasonal and inter-annual variations in rainfall, which are amplified by high run-off production and evaporation rates -these being climate change impacts. Climate change has significant impact causing flooding though limited to some localities, while drought and drought-related disasters regularly affect communities as well as the national economy. Many opportunities offered by the water sector for development and social transformation are not being exploited effectively

The ANC-led governments over the last 27 years had to expand access to services to many South Africans who were deliberately excluded, the population has grown substantially, increased levels of migration, urbanization, and economic growth in terms of GDP compared to 1994. In addition, consideration is placed on adapting to climate change imperatives and taking advantage of the technological advances in line with the 4th industrial revolution

Despite all the advances we have recorded, we are the first to admit that more still needs to be done especially in rural areas where services and infrastructure are poor or non-existent whilst urban areas continue to experience service delivery disruptions or failures for a variety of reasons.

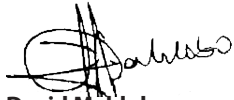
The Department completed a preliminary assessment on the 1 186 water supply systems and produced a Blue Drop progress report but also commenced with the full Blue Drop Certification audit cycle, with this regulatory audit report on Drinking Water Quality Management being due in March 2023. Municipalities and Water Services Institutions are encouraged to prepare well for the audits. The Blue Drop standards for this audit period are available on the Integrated Regulation Information System (IRIS) on the DWS web-page.

We have trained 107 Environmental Management Inspectors through an official training programme shared with the Green Scorpions. This will enable the Department to achieve the Anti-Pollution plan through improved Compliance and Enforcement activities. Multi-disciplinary regulatory audits were conducted on water user associations, representing 480 water users to ensure that local water resource management is conducted according to expectations. An enforcement blitz on 53 suspected illegal dams led to 43 notices of non-compliance being issued, and 4 cases proceeding to criminal charges being lodged with the South African Police Services. This serves as a reminder that it remains illegal to build a dam without the required authorisation.

Due to population growth, migration, urbanization, and lack of infrastructure maintenance, we have experienced negative impacts on the quality of the water resources. Water quality continues to deteriorate at an alarming rate. Results indicate that the source of pollution emanates from the lack of or inadequate sanitation, return effluent from industries, rural settlements, agricultural run offs, ground water, pollution, human settlement activities, and mining. Monitoring of our water resources has resumed in all provinces and we anticipate having a report on the quality of our resources by end of this financial year. High risk facilities were also identified and prioritized for compliance monitoring and the Department has already started enforcement action with a few water users including municipalities.



We have a long way to go before all people will be free to enjoy this essential human right of access to water and sanitation services. As signatories to UNSustainable Development Goals, we are working towards reaching the global targets by 2030.



**David Mahlobo**  
**Deputy Minister of Water and Sanitation**

**Date: 06 June 2022**



## 5 DEPUTY MINISTER'S STATEMENT

The outbreak of the Covid-19 pandemic in March 2020, found a vulnerable South African economy. In fact, at the time pandemic reached our shores, the South African economy had experienced two consecutive quarters of a recession. As a result, the Covid-19 pandemic deepened the economic crisis. Many people lost their jobs, many have gone without income for extended periods, and many are going hungry every day. Inequality is expected to widen and poverty to deepen. Our department was adversely affected by the pandemic. The persistent lockdown has affected the delay of completing most of infrastructure projects. This has prompted the department to develop and implement economic recovery plan.

The Department has achieved its target of establishing two catchment management agencies (CMAs) for the year under review which is the Breede-Gouritz CMA falling within the Western and Eastern Cape provinces, and the Inkomati-Usuthu CMA largely situated within Mpumalanga. The Act envisages that water resource management is delegated to regional levels, through CMAs, to address specific issues relevant to the area and its people.

The rationale for establishing CMAs relates to the proximity they share to the local communities and knowledge base. Decision-making, implementation, and monitoring are improved because CMAs have easier access to information. They also lighten the Department's workload in ensuring efficient water resource management at a localised level and can engage local municipalities on issues affecting their water resources. There an urgency of establishing the remaining Catchment Management Agencies.

We are concerned about the potential water scarcity in the face of increasing, mainly population-driven, water demands, and its consequences on our energy and food production. The Global Risk Perception Survey conducted among 900 recognized experts by the World Economic Forum reports that the highest level of societal impact over the next 10 years will be from water crises.

In recent decades the percentage increase in water use on a global scale has exceeded twice that of population growth. This has led to more, and larger, regions in the world being subject to water stress where the current restricted rates of water use and consumption, let alone the desired rates, are unsustainable. Water demands and supplies are changing. What they will be in the future is uncertain, but it is certain that they will change. Demands are driven in part by population growth and higher per capita water consumption in growing urban, domestic, and industrial water sectors.

To prevent a severe water management crisis, we need to be creative. If we continue to follow a business as-usual pathway it could lead to a situation in which our current predictive models may not work at all. We need to identify, establish, and then set in motion systems of governance and regulation that can force us on a path that will lead us toward long-term sustainable development. We will also need research on how best to confront simultaneously financial, social, and environmental challenges. Our main concern must be to create the necessary conditions for human creativity to flourish in the domains of politics, science culture, and ethics. Local, regional, and world leaders need to put water issues at the top of their agendas before they are forced to by circumstances that they can no longer control. We need to identify and implement creative long-term solutions to the water management problems that could threaten the future of humanity

Gaps between the rich and the poor have been, and remain, wide and are increasing according to [International Monetary Fund (IMF), 2000; Shah, 2010]. Access to safe water and sufficient food is still a dream for almost a billion people. More than 2.5 billion of us lack access to safe sanitation.

Within a couple decades, water scarcity may affect about two thirds of the world's population. In many countries there is still a tendency to deal with water scarcity problems by augmenting the water supply, e.g., by increasing surface and groundwater storage and allocation through the creation of new infrastructure, desalination of saltwater or brackish water, reuse of wastewater, or recharging aquifers.





This tendency has prevailed over focusing on reducing water demand, e.g., by stemming the losses in transport and distribution systems, implementing adequate tariff systems, which seek to encourage lower water demand levels, changing water use technologies, and, generally, increasing the efficiency of water use in domestic, industrial, and irrigation systems; in other words, seeking to increase overall water productivity

Quarter of the world's population lacks access to a reliable water supply a far cry from the aspirations of Sustainable Development Goal 6 which advocate the following amongst others:

- Ensure availability and sustainable management of water and sanitation for all by 2030.
- Ensure to achieve universal and equitable access of safe and affordable drinking water for all.

The pandemic has heightened awareness of both the extent and consequences of this access gap, and it could slow down progress in meeting the SDG 6 development goal as revenue losses by water utilities affect their ability to make critical capital investments.

The creation of jobs remains one of the priorities of our department and for the year under review the target for job creation was 100 but we managed to create 363 jobs opportunities through operations of water resources infrastructure projects

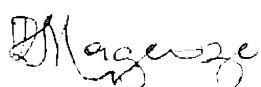
This National Water Resource Strategy 2 sets out how we will achieve the following core objectives:

- water supports development and the elimination of poverty and inequality
- water contributes to the economy and job creation, and
- water is protected, used, developed, conserved, managed, and controlled sustainably and equitably.

The major focus of the NWRS2 is equitable and sustainable access and use of water by all South Africans while sustaining our water resource. Equity and redistribution will be achieved through the authorisation process and other mechanisms and programmes, such as water allocation reform, financial support to emerging farmers and support to urban and rural local economic development initiatives. With our growing population and focus on economic growth and development we need to ensure water security and healthy water ecosystems that support our national imperatives.

Apart from the water demands of the economic sectors (energy, mining, and agriculture), increasing urbanisation and industrialisation place enormous pressure on our scarce water resource in terms of management and allocation. Over the last ten years water consumption of the domestic sector has increased from 22% to 27% of the total resource.

The draft NWRS3 was not approved by the cabinet because of COVID-19.



**Ms Dikeledi Magadzi (MP)**  
**Deputy Minister of Water and Sanitation**

**Date: 06 June 2022**

## 6 REPORT OF THE ACCOUNTING OFFICER: DR SEAN PHILLIPS

### 6.1 Overview of the operations of the Department

During the year under review, the Department of Water and Sanitation (DWS) implemented its priorities that contribute to the realisation of government's outcomes. Through its various programmes, it continued its commitment to effectively manage the country's water resources to ensure equitable and sustainable socio-economic development and universal access to water and dignified sanitation.

However, towards the latter part of the previous financial year (i.e. 2019/20), the Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2) was globally confirmed as the causative agent of 'Coronavirus Disease 2019' (COVID-19). The President, therefore, issued a statement requiring immediate response on the outbreak of the COVID-19 pandemic. This was followed by a six (6) week national lockdown as one of the many measures to contain the spread of the disease. In response to the President's call, the National Treasury made a special budget adjustment which necessitated the amendment of the annual performance plan (APP).

The impacts of the national lockdown were identified at the end of the first 2020/21 reporting period (i.e. end of June 2020). The deferral of the initial milestones and reprioritisation of resources to support COVID-19 therefore had a knock-on effect in the subsequent deliverables. Therefore, a further amendment of the 2020/21 APP was approved to reflect what can be realistically achieved by the end of the financial year. The programme performance for the period under review is summarised below:

#### Administration

The Department's learning academy was initiated in 2007 as a response to the specific skills shortage challenge affecting both the Department and the water sector. It is designed to meet specific organisational requirements, lead a sustained campaign to secure a steady supply of high-level skills in water-related science, engineering, and technical disciplines to meet projected demands. Its dual academic and professional development focus provides aspirants an opportunity to be exposed to real-time professional experiences and valuable work experience. This also allows these young graduates to register with relevant professional bodies such as the Engineering Council of South Africa (ECSA), the South African Council for Natural Science Professions (SACNSP) and the Geomatics Council for Surveyors (formerly PLATO).



Through the learning academy's academic component, memoranda of understanding (MoUs) have been signed with twenty-three (23) institutions of higher learning nationally, with a provincial representation of: six (6) in Gauteng, four (4) in Western Cape, four (4) in Eastern Cape, three (3) in KwaZulu-Natal, two (2) in Free State, two (2) in Limpopo, one (1) in Mpumalanga and one (1) in the North West. For the period under review a total of sixty-three (63) new bursaries were awarded to learners within these institutions bring the cumulative total to 232 bursars since its inception. A further eighteen (18) learner interns completed their experiential training bringing the cumulative total to 318 since inception.

The learning academy's professional development component successfully placed thirty-five (35) graduate trainees (GTs) in the Department. A further forty-six (46) were offered permanent or candidate Occupation Specific Dispensation (OSD) positions within the Department after completing their respective rotational training and development programmes and upon registration where applicable. Since inception, a cumulative total of 733 graduate trainees was appointed into entry level contract or permanent posts in the Department. There are currently sixty-nine (69) GTs in the programme with a new intake scheduled to occur in July 2021.

During the period under review, the Department implemented its international relations programme that saw the initiation of new strategic co-operations and the implementation of existing agreements with African and global countries.

Within the official development assistance (ODA) area, a new cooperation through the International Climate Initiative has been initiated with Germany's Gesellschaft für Internationale Zusammenarbeit (GIZ) with the intended support in water and wastewater management. Also, in collaboration with South African Local Government Association (SALGA), the Department has a cooperation with the Japan International Cooperation Agency (JICA) with a special focus on reducing non-revenue water within South African municipalities. The pilot phase of this JICA cooperation resulted in the training of approximately fifty (50) municipal officials on non-revenue water. The Japanese government also supported the construction of a non-revenue yard used as a simulation training for officials on non-revenue water; said training facility was opened by the Executive Authority on 22 March 2021. A further participation within the Dutch government's Orange Knowledge Programme (OKP) saw twenty-four (24) water sector officials receiving scholarships to study Master of Business Administration in Water Management.

Within the Africa bilateral relations, a task team was established, and an action plan developed following a request by the Botswana government to investigate the poor performance of the Molatedi Dam. Also, a memorandum of understanding (MoU) was finalised with the Namibian government on the principles of cooperation regarding the current and future water resource management of the lower Orange River.

Within the global cooperation the Executive Authority represented the country in a high-level meeting on the implementation of water related goals and targets of the 2030 agenda convened by the President of the General Assembly. South Africa was also nominated to participate in the steering committee of the International Advisory Committee of the Water Decade. The Department also participated and contributed to the Organisation for Economic Co-operation and Development (OECD) partner recovery plans and programmes in line with the approved SA-OECD Joint Work Programme (JWP) framework and the signing of a draft MoU.

## Water Planning and Information Management

The integrated planning sub-programme develops comprehensive plans for adequate water resource availability (i.e. quantity or quality) in an equitable and environmentally sustainable manner to guide infrastructure development, systems and services management in the water sector. For the period under review, reconciliation strategies for Mbombela and Richard's Bay water supply systems (WSS) were completed to ensure the previously identified water requirements reconcile with the available water resources. Also, annual operating rules and specialist studies were completed for seven (7) WSS allowing for the reconciliation of annual water availability with the requirement schedules of these respective systems over the next water year period. The climate change risk and vulnerability assessments for the Orange and Limpopo-Olifants & Inkomati-Usuthu water management areas (WMAs) were also completed to allow for the development of adaptation options where required.

The water ecosystems sub-programme develops measures that protect water resources by developing water resource classes and determining resource quality objectives for river systems. For the period under review, the water resource classes for Thukela were finalised.

The water information management programme establishes, coordinates, and audits water resource monitoring networks / programmes as well as develops and maintains water information systems to create a knowledge base on all water aspects for informed decisions on water management. For the period under review, four water resource monitoring programmes and six (6) water and sanitation information systems were maintained. Also, the Liverpool gauging station was refurbished, to allow for predictions and decisions concerning water level, flood activity and control. The river eco-status monitoring programme was also implemented in seventy-seven (77) rivers.

The water services and local water management sub-programme develops strategies, guidelines, plans and information management for water and sanitation across the value chain. For the period under review, the water balance data and information were collected from municipalities within eight (8) WSS. Also, the annual status report for the Xhariep pipeline was finalised. The Municipal Strategic Self-Assessments (MuSSA) within water service authorities, metropolitan municipalities and secondary cities were completed.

The sanitation and management sub-programme provides a national strategy for the planning of sanitation services and supports municipalities in planning of the provision of sustainable sanitation services. For the period under review, the national sanitation situational analysis was finalised. Furthermore, a conceptual framework for the national faecal sludge management strategy for on-site sanitation was developed.

The policy and strategy sub-programme monitors and reviews the implementation of water and sanitation sector policies and strategies. For the period under review, the approval was granted to deviate from the development of a single water and sanitation bill to the amendment of the two (20 existing Acts (i.e. the National Water Act and the Water Services Act). Also, the draft National Water Resources Strategy third edition (NWRS-3) was submitted to Cabinet to approve for public consultation.

## Water Infrastructure Development

The strategic infrastructure and development sub-programme provides for the design, construction, commissioning and management of new and existing water resource infrastructure. For the period under review, work was under way to have the Mokolo Crocodile (West) Water Augmentation Project phase 2A (MCWAP-2A), the Olifants River Water Resource Development Project Phase 2D (ORWRDP-2D) and the Lusikisiki Regional Water Supply Scheme (Zalu Dam) ready for implementation.

The regional bulk infrastructure grant sub-programme provides for the development of new infrastructure, and the refurbishment, upgrading and replacing of ageing infrastructure servicing extensive areas across municipal boundaries. For the period under review, a total of 106 regional bulk infrastructure project phases were under construction. The provincial breakdown is the Eastern Cape had twenty-two (22), the Free State had fifteen (15), Gauteng had three (3), KwaZulu-Natal had nine (9), Limpopo had fifteen (15), Mpumalanga had twenty-two (22), the Northern Cape had five (5), the North West had twelve (12) and the Western Cape had three (3) project phases under construction. A further eleven (11) project phases were completed; one (1) in the Eastern Cape, three (3) in Free State, one (1) in Gauteng, two (2) in Mpumalanga, two (2) in Northern Cape, one (1) in North West and one (1) in Western Cape.

The water services infrastructure grant sub-programme provides for the construction of new infrastructure and the rehabilitation of existing water and sanitation infrastructure through the grant transfer of water services schemes to water service institutions. The allocation prioritises the 27 poorest district municipalities. For the period under review, a total of 382 small water services infrastructure projects were under construction. The provincial breakdown is the Eastern Cape had forty-nine (49), Free State had forty-three (43), Gauteng had nine (9), KwaZulu-Natal had seventy-four (74), Limpopo had ninety-one (91), Mpumalanga had thirty-three (33), Northern Cape had thirty-four (34), North West had thirty-nine (39) and the Western Cape had ten (10) projects under construction. A further 112 water services infrastructure projects were completed: twenty-nine (29) in the Eastern Cape, eleven (11) in the Free State, seven (7) in Gauteng, two (2) in KwaZulu-Natal, twenty-one (21) in Limpopo, thirteen (13) in Mpumalanga, eleven (11) in Northern Cape, eleven (11) in North West and seven (7) in the Western Cape.

The operations of water sub-programme provides for activities on water resource management of the Department or catchment management agencies (CMAs) within water management areas (WMAs). For the period under review thirty-nine percent (39%) of projects in the maintenance plan were completed with unscheduled maintenance kept at twenty-six percent (26%). The measurement of operational functionality of the national water resource infrastructure (i.e. adherence to bulk water supply agreements) was at 102%. A total of twenty-five (25) dam safety evaluations were completed to monitor dams' safety in accordance with the National Water Act. A total of 1,9518 kilometres conveyance systems identified to be in a state of disrepair were rehabilitated.

Through the implementation of the various infrastructure-built programmes, a total of 1 037 job opportunities were created during the period under review.

## Water Sector Regulation

The economic and social regulation sub-programme ensures that pricing is efficient, equitable and cost reflective to protect the interests of consumers and the sector through the provision of sustainable water resources and water services. For the period under review, the acid mine drainage (AMD) mitigation strategies for the Orange and Mzimvubu-Tsitsikamma WMAs were developed. The methodology and management approach to implement the waste discharge charge system (WDCS) was also developed. The 2021/22 raw water charges and bulk water tariffs were also approved.

The water use authorisation and administration sub-programme enables equitable access to water using various regulatory instruments. For the period under review, an average of sixty-three percent (63%) applications for water use authorisation were finalised within the regulated period.

The water supply services, and sanitation regulation regulates the provision of drinking water and the management of wastewater. For the period under review, a total of 428 non-compliant wastewater systems and 366 non-compliant water supply systems were monitored for compliance with the regulatory requirements.

The compliance monitoring and enforcement sub-programme coordinates and monitors compliance to value chain standards, licence conditions and regulations for the water sector and enforces compliance with licence conditions. For the period under review, a total of 337 water users across the various sectors were monitored for compliance. Also, a total of 284 reported non-compliant cases were investigated.

The institutional oversight sub-programme provides institutional governance and oversight of all water institutions and facilitates their establishment and development. For the period under review, the performance of thirteen (13) departmental entities was evaluated against their performance plans. The final business case for the establishment of the national water resources and water services agency was finalised. The new areas of operation for the Breede-Gouritz and the Vaal CMAs were gazetted.

## 6.2 Overview of the financial results of the Department

### 6.2.1 Departmental receipts

Departmental receipts	2020/21			2019/2020		
	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	1 700	1 764	(64)	2 084	1 977	107
Transfers received	0	0	0	0	0	0
Fines, penalties, and forfeits	0	0	0	1 580	1 310	270
Interest, dividends and rent on land	2 176	1 052	1 124	3 199	3 561	(362)
Sale of capital assets	84	35	49	247	379	(132)
Financial transactions in assets and liabilities	900	1 538	(638)	8 129	8 130	(1)
<b>Total</b>	<b>4 860</b>	<b>4 389</b>	<b>471</b>	<b>15 239</b>	<b>15 357</b>	<b>(118)</b>

## 6.2.2 Programme expenditure

Programme name	2020/21			2019/20		
	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	1 713 106	1 618 556	94 550	1 690 985	1 624 064	66 921
Water Planning and Information Management	731 434	627 334	104 100	835 264	753 553	81 711
Water Infrastructure Development	14 219 985	11 981 566	2 238 419	13 539 682	12 548 973	990 709
Water Sector Regulation	329 766	275 157	54 609	401 368	291 016	110 352
<b>Total</b>	<b>16 994 291</b>	<b>14 502 613</b>	<b>2 491 678</b>	<b>16 467 299</b>	<b>15 217 606</b>	<b>1 249 693</b>

## 6.2.3 Virements/ rollovers

Section 43(1) of the Public Finance Management Act (PFMA) provides that the Accounting Officer of the Department may utilise a saving in the amount appropriated under a main division within a vote towards the defrayment of excess expenditure under another main division within the same vote unless the relevant treasury directs otherwise.



## 6.2.3.1 Virements approved by the Accounting Officer

The table below summarises the funds shifted and virements applied by the Department:

From Programmes	Reasons for virement	Amount R'000	To Programmes	Reasons for virement	Amount R'000
Administration	<p>Under spending under goods and services and payments for capital assets was due to on-going departmental reprioritisation of projects and budgets.</p> <p>The funds were used to defray overspending under Regional Bulk Infrastructure Grant (RBIG) and Water Services Infrastructure Grant (WSIG).</p> <p>The impact of COVID-19 lockdown restrictions on the implementation of planned projects and function related activities.</p>	<b>(101 924)</b>	Water Infrastructure Development	To defray excess expenditure under goods and services under Regional Bulk Infrastructure Grant (RBIG) and Water Services Infrastructure Grant (WSIG) sub-programmes owing to the implementation of drought and emergency water services interventions activities in various regions in the country.	<b>194 201</b>
Water Planning and Information Management	<p>Savings were realised on goods and services due to the delayed projects which were mostly at the procurement and implementation planning stages.</p> <p>The funds were used to defray overspending on under Regional Bulk Infrastructure Grant (RBIG) and Water Services Infrastructure Grant (WSIG).</p> <p>The impact of COVID-19 lockdown restrictions on the implementation of planned projects and function related activities.</p>	<b>(63 602)</b>			
Water Sector Regulation	<p>Savings were realised on goods and services due to the delayed projects which were mostly at the procurement and implementation planning stages.</p> <p>The impact of COVID-19 lockdown restrictions on the implementation of planned projects and function related activities.</p>	<b>(28 675)</b>			
<b>Total</b>		<b>(194 201)</b>	<b>Total</b>		<b>194 201</b>

### 6.2.3.2 Requests for rollover

The Department requested to roll over the qualifying 2020/21 unspent funds of R2.152 billion to the 2021/22 financial year. This will allow for the completion of various identifiable committed, contracted and/or accrued projects and activities which started in the previous financial year under Programme 3 (Water Infrastructure Development).

The table below summarises the details for rollover of funds per economic classification:

Details per economic classification	Amount in R'000
<b>Goods and services</b>	<b>101 700</b>
Integrated Vaal River System (VRS): Operational expenditure related to management, operations and maintenance of the Emfuleni Local Municipality (ELM)'s water infrastructure	82 200
WP11351: Recommendation for the appointment of professional service provider (PSP) to provide specialised support resource to drinking water quality (Blue Drop) and wastewater (Green Drop) services regulation for assessment of water supply and wastewater treatment systems	19 500
<b>Payments for capital assets</b>	<b>2 050 279</b>
Bucket Eradication Programme (BEP) – RBIG: Housing Development Agency (HDA)	504 000
Bucket Eradication Programme (BEP) – RBIG: Chief Directorate: Construction Management under the Water Trading Entity (WTE)	232 685
Integrated Vaal River System (VRS) Infrastructure Refurbishment and Upgrade	904 786
COVID-19 sustainability projects relief interventions - RBIG	408 808
<b>Total</b>	<b>2 151 979</b>

The table below summarises the rollover request per programme:

Programmes	Amount R'000
Programme 3: Water Infrastructure Development Sub-programme: Regional Bulk Infrastructure Grant (RBIG)	2 151 979
<b>Total</b>	<b>2 151 979</b>

## 6.3 New or proposed activities

None

## 6.4 Supply chain management

The Department did not conclude any unsolicited bids for the 2020/21 financial year. There were, however, challenges experienced with some implementing agents that did not adhere to supply chain management (SCM) processes resulting in several cases of irregular expenditure.

The Department, therefore, undertook various intervention measures including the enhancement of contractual arrangements and continuous engagements with the emphasis on the uniformity in the application of policies and legislation within implementing agents. The Department also enhances SCM controls through signing of MoUs with respective implementing agents whilst continuously monitoring said implementing agents' performance.

Within the Department, SCM processes and systems have been put in place to prevent irregular expenditure. A case in point is the system where all requests for contract extensions / variations are reviewed and checked by the contract management unit prior to the approval by the relevant authority.

## 6.5 Gifts and donations received in-kind from non-related parties

The list of the in kind good and services received from parties other than related parties is tabulated below:

Item	Amount
Fruit basket / flowers (Polokwane)	R 1 400
Fames / certificates	R 400
Hungary gifts – interdepartmental claim (Department of Human Settlements)	R 10 000
Lesotho gifts - interdepartmental claim (Department of Human Settlements)	R 5 000
Rand Water and Free State premier flowers gift - interdepartmental claim (Department of Human Settlements)	R 1 000

## 6.6 Exemptions and deviations received from the National Treasury

A total of ten (10) deviations relating to sole supplier applications were processed and finalised for the financial year period under review. The various deviation applications were initially assessed by the demand management unit in order determine their sole supplier status and a detailed market analysis was undertaken prior to submission to the Departmental Bid Adjudication Committee (DBAC) and Accounting Officer for approval.

## 6.7 Events after the reporting date

On 15 March 2022, the Special Tribunal declared the software license and support agreement concluded between the Department of Water Affairs and Sanitation (DWS) and System Application Products (SAP) unconstitutionally invalid and ordered that it be set aside. In a ruling SAP was ordered to repay the department R413-millions of R1,036-billion in software license contracts. The R413-million represents the total amount paid by the department to SAP pursuant to the 2015 and 2016 software license and support contracts.

The Special Tribunal order follows an investigation by the Special Investigating Unit (SIU) into the department, which revealed that the department irregularly concluded software license and support agreements on 22 December 2015 and 26 July 2016 with SAP. The Special Tribunal further ordered SAP to pay the department R263,282,173.78 within five days of the date of the order, with any remainder to be paid after the Special Tribunal's determination of whether any further amount should be deducted from the amount due. On 18 March 2022 the amount of R263,282,173.78 was duly paid.

Except for the above, management is not aware of any other material reportable event which occurred after the reporting date and up to the date of this report.

## 6.8 Other

### 6.8.1 Background

The Water Trading was established in 1983 under the Exchequer Act as a trading account operating as an integral part of the Department. The status of government trading accounts was eventually changed through the Public Finance Management Act of 1999, converting trading accounts into trading entities.

The conversion of the Water Trading was however delayed until 2006, presenting its initial financial statement in compliance with Generally Accepted Accounting Practices (GAAP) at the end of 2005/6 financial year. The Water Trading Entity has converted from GAAP to General Recognised Accounting Practices (GRAP).

The entity reports directly to the Accounting Officer of the Department of Water and Sanitation. It is divided into two parts, namely the Water Resource Management unit and the Infrastructure Branch. The functions of these components are summarised below:

### 6.8.1.1 Water Resource Management (Proto-CMAs)

This component deals with water resource management functions which primarily addresses the use, conservation, and allocation of water resources in a manner that is sustainable and equitable for the benefit of the people that are residing in the relevant water management areas.

Funding for this component is through revenue generated from water users in the area as well as partly augmentation from the fiscus which covers the shortfall where revenue is inadequate to cover the entire operations.

#### 6.8.1.1 Infrastructure branch

This component deals with the development of new infrastructure as well as operation and maintenance of existing infrastructure. Operations under infrastructure branch are divided into two (2) components, namely Integrated Systems and Bulk Water Schemes.

**Integrated Systems:** These are those schemes that cut across several provinces. This infrastructure was primarily developed to transport water from water rich catchments to water scarce catchments. A system comprises of several dams and pipelines which are operated as one interlinked system.

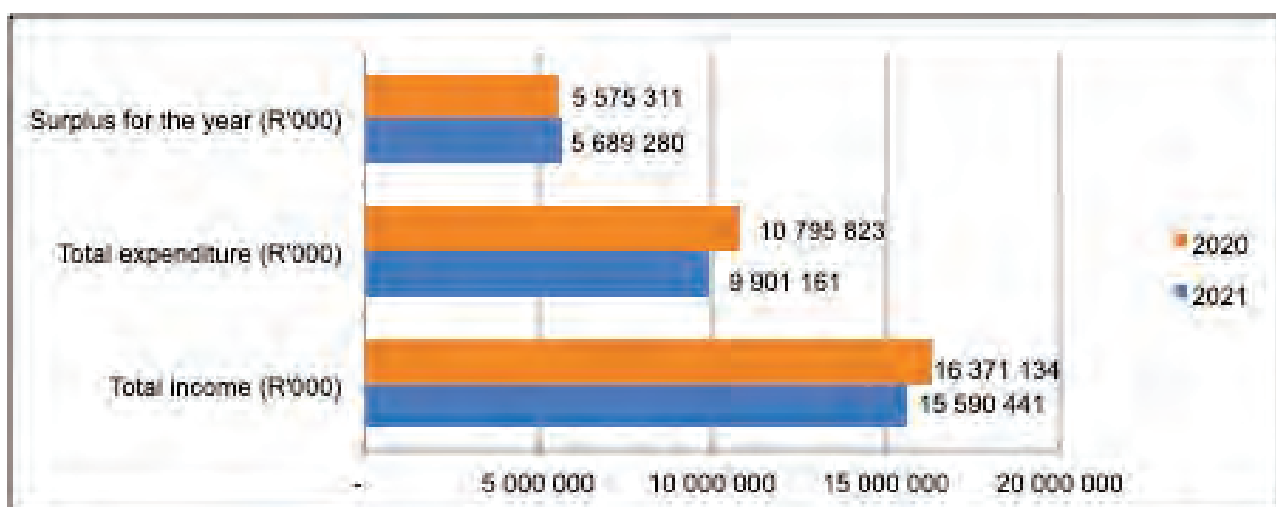
**Bulk Water Schemes:** These are operated as standalone water schemes primarily comprising of the former homeland government schemes. The agricultural sector is by far the largest consumer of water from this infrastructure.

Funding for both components of the infrastructure branch is through revenue generated from water resource infrastructure users. The fiscus also augments the funding stream where revenue is insufficient to cover for the general operations of the branch as well as development of new infrastructure.

## 6.8.2 Analysis of operating performance

### 6.8.2.1 Operating surplus

As reflected in the figure below, the operating surplus increased by R114 million from R5,575 billion in the 2019/20 financial year to R5,689 billion in the 2020/21 financial year. The expenditure reflects a R895 million reduction from R10,796 billion in the 2019/20 financial year to R9,901 billion in the 2020/21 financial year. This can be mainly be attributed to the reduced impairment of trade receivables.



**Figure 1: 2020/21 Operating surplus**

6.8.2.2 Operating income (revenue) analysis

The figure below indicates that revenue from the provision of water reflects an increase of 0.4% when compared to the prior year due to increase on annual water tariff. Construction revenue reflects an increase of 26% in the 2020/21 financial year due to a greater allocation of projects to the construction units. The augmentation allocation for the financial year 2020/21 amounted to R2.068 billion and other revenue amounted to R1.076 billion. Other revenue includes interest charged on overdue debtors' accounts, lease revenue earned, commission earned, assets received or transferred and sale of goods such as scrap material.

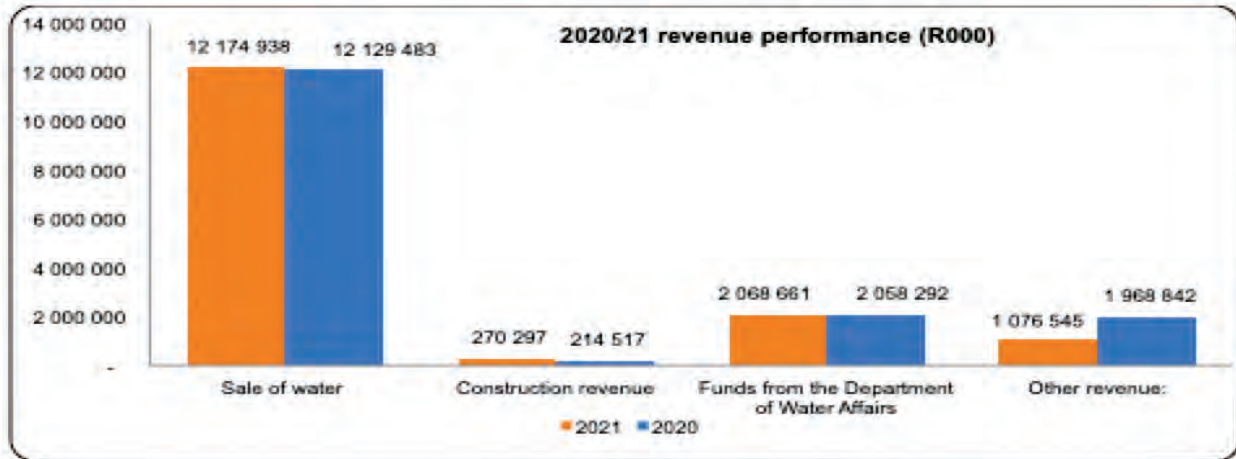


Figure 2: Revenue analysis

6.8.2.3 Operating income (revenue) analysis

The operating expenditure increased by R579 million from R3.213 billion in the 2019/20 financial year to R3.792 billion in the 2020/21 financial year mainly due to increased electricity costs, increased TCTA administrative costs, LHWP royalties and expenses on owned and leasehold property. The employee costs increased by 12% because of annual salary adjustments and non-capitalisation of some of the construction units' salaries. The depreciation, amortization and impairment decreased by 12% from R1.731 billion in 2018/19 to R1.532 billion in 2019/20.

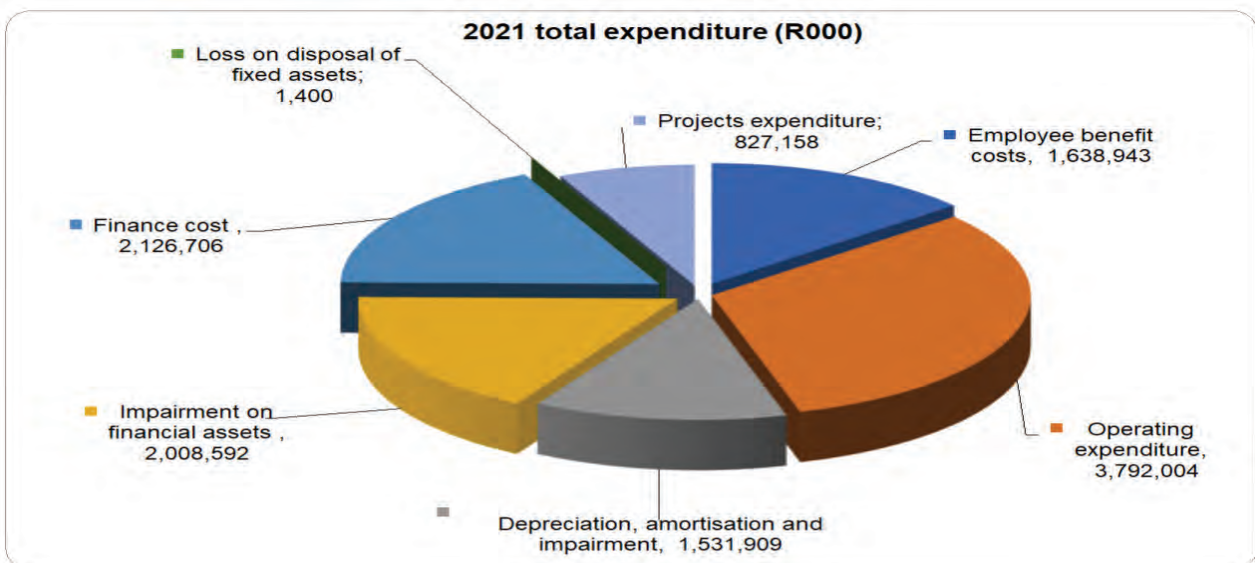


Figure 3: Total expenditure

### 6.8.3 Liquidity

The current ratio of the entity is 3.48 (2019/20 = 3.72) which indicates that the entity has sufficient liquid assets to meet its short-term financial obligations. The quick ratio is 3.44 (2019/20 = 3.66) which is very healthy.

	2020/21	2019/20
Current ratio	3.48:1	3.72:1

### 6.8.4 Cash flow from operating activities

The entity has a positive cash flow from operating activities to the amount of R6.633 billion whilst payments of financing activities amounted to R6.162 billion. The cash and cash equivalent reflects a favorable balance of R1.403 billion at the end of the financial year 2020/21 compared to R1.063 billion at the end of the 2019/20 financial year.

### 6.8.5 Debtors' collection days

The debtors' days after impairment have moved from 179.6 days in 2019/20 to 267.0 days in 2020/21 mainly due to non-payment by various municipalities and water boards that are unable to pay as municipalities are not paying them. The debtor's collection days clearly indicates that the entity has cash tied up in the outstanding accounts.

	2020/21	2019/20
Current ratio	267.0	179.6

## 6.9 Acknowledgement(s) or Appreciation

I would like to express my deepest appreciation to the Executive Authority and the Department's officials for their efforts in ensuring that water is supplied to our communities.

The contribution from our water entities is also acknowledged in their endeavours to ensure that the Department's mandate is met.

We have indeed made strides to better assert the role of the Department as a Water sector leader, and mechanisms that we had put in motion to transform the water and sanitation sector.

To all our water sector partners we appreciate the collaboration, support and advices that you have given to take the water and sanitation sector to greater heights.

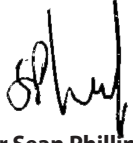
## 6.10 Conclusion

We will continue to ensure that the mandate of the Department is adhered to and effectively manage the water resources of the country to ensure equitable and sustainable socio-economic development and universal access to water and dignified sanitation.



## 6.11 Approval and sign off

The programme performance information set out in pages 31-122 and the annual financial statements for the Main Account pages 204 to 354 and Water Trading set out in pages 369 to 436 respectively have been approved by the Accounting Officer.



**Dr Sean Phillips**  
**Accounting Officer**  
**Department of Water and Sanitation**

**Date: 06 June 2022**

## 7 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.

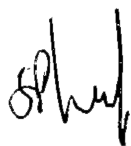
The Annual Financial Statements (in Parts E and F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

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 2021.



**Dr Sean Phillips**  
**Accounting Officer**  
**Department of Water and Sanitation**

**Date: 06 June 2022**

## 8 STRATEGIC OVERVIEW

### 8.1 Vision

Equitable and sustainable water and sanitation that support socio-economic growth and development of the well-being of current and future generations.

### 8.2 Mission

To ensure the universal access of all South Africans to equitable water resources and sustainable water and sanitation services, by:

- Protecting, developing, conserving, managing and regulating water resources;
- Managing, regulating and providing efficient and effective water and sanitation services;
- Providing strategic leadership and evidence-based policy direction to a coordinated water and sanitation sector for improved sector performance and service delivery;
- Building the skills and capabilities of the sector and enhancing information management to inform decision making; and
- Enhancing communication and stakeholder partnerships with communities and sector constituencies to advance the national development agenda.

### 8.3 Values

- Promoting and maintaining high standards of professional ethics;
- Utilising resources efficiently and effectively;
- Providing services impartially, fairly, equitably and without bias;
- Responding to people's needs;
- Citizens are encouraged to participate in policy-making;
- Rendering an accountable, transparent, and development -oriented public administration.

## 9 LEGISLATIVE AND OTHER MANDATES

The legislative mandate of the water and sanitation sector seeks to ensure that the country's water resources are protected, used, developed, conserved, managed, and controlled through regulating and supporting the delivery of effective water supply and sanitation.

### 9.1 The Constitutional mandate

#### 9.1.1 Chapter 2 on the Bill of Rights makes the following provisions:

**Section 10** - "everyone has inherent dignity and the right to have their dignity respected and protected." The same provision also applies to sanitation.

**Section 24(a)** - "everyone has a right to an environment that is not harmful to their health or well-being"

**Section 27(1)(b)** - "everyone has the right to have access to sufficient water"

**Section 27(2)** - obliges the state to "take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation" of everyone's right of access to sufficient water.

#### 9.1.2 Chapter 6 on Provinces makes the following provisions

- **S139 Provincial intervention in local government-**

- (1) When a municipality cannot or does not fulfil an executive obligation in terms of the Constitution or legislation, the relevant provincial executive may intervene by taking any appropriate steps to ensure fulfilment of that obligation

#### 9.1.3 Chapter 7 on Local Government makes the following provisions

- **S154 Municipalities in co-operative government-**

- (1) The national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions

#### 9.1.4 Schedule 4 on Functional Areas of Concurrent National and Provincial Legislative Competence makes the following provisions:

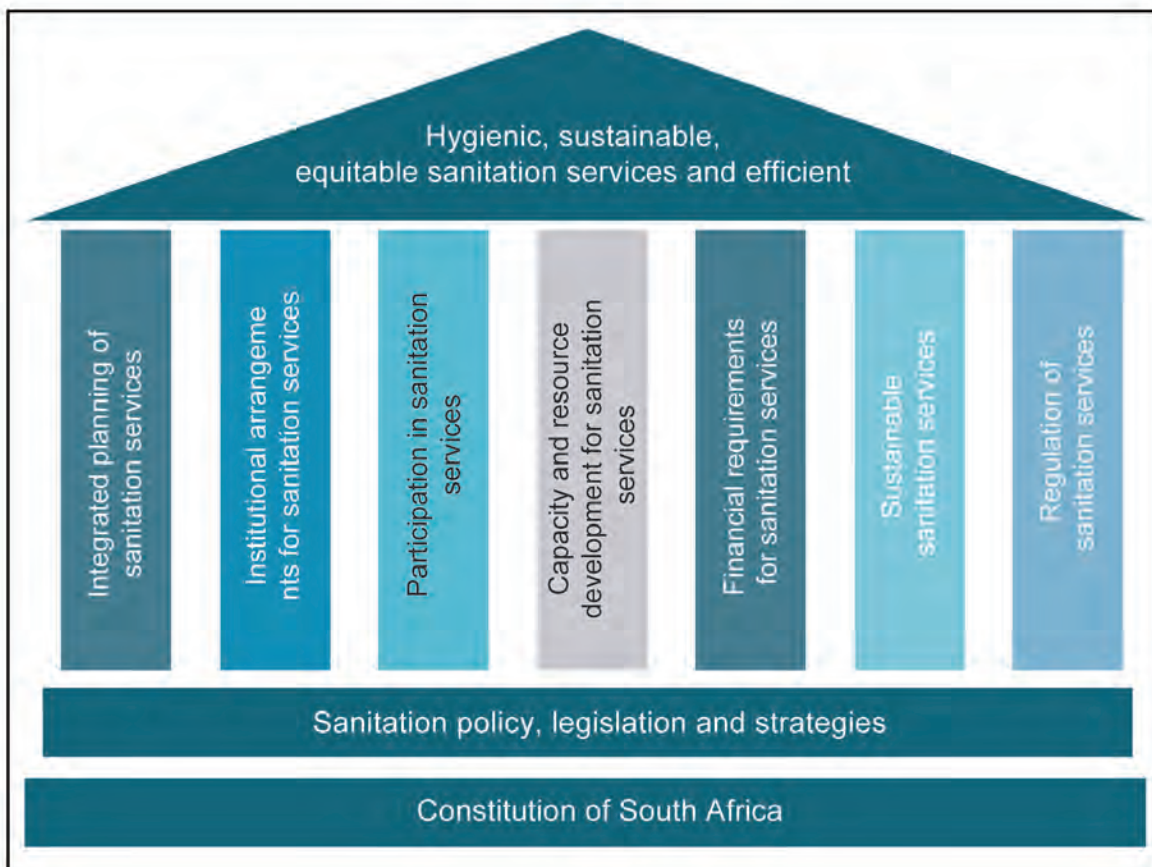
- Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems

### 9.2 Water and Sanitation policy framework

#### 9.2.1 National Water Policy Review (2013): the policy review determined unintended oversight and gaps in the existing water policies to provide amendment to address the following:

- (a) **Use-it or Lose-it:** Any authorised water use (including existing lawful use) unutilised for a specified period should be reallocated to the public trust. This water will be reallocated to address social and economic equity

- (b) **No water trading:** No form of temporary or permanent trading between authorised water users. The obligation for any holder of an entitlement to use water; if it is no longer utilised, is to surrender such use to the public trust.
- (c) **Prioritising social and economic equity:** The decision making will have equity as the primary consideration. Priority will be accorded to water use authorisation applications that meet the equity requirement, as provided in the regulatory instruments.
- (d) **Multiple water use approach in planning:** A multiple water use approach incorporating all water uses in an area including water supply, must be adopted in planning of bulk water infrastructure. This approach will also have equity and transformation as a priority
- (e) **Access to basic water supply:** A water service authority (WSA) should work progressively or incrementally towards providing higher levels of a sustainable water supply to all households and public institutions, including rural areas. When planning, a WSA must consider a basic water supply which addresses current domestic and productive use requirements, as well as future growth in these requirements
- (f) **Free basic water supply to indigent households:** Free basic water supply will be provided to indigent households only.
- (g) **National Sanitation Policy (2016):** the policy review addresses the entire sanitation value chain (namely the collection, removal, disposal or treatment of human excreta and domestic wastewater, and the collection, treatment, and disposal wastewater). The figure below indicates the categories under the seven (7) pillars of the policy



### 9.2.3 Other water and sanitation policies and strategies include the following:

- (a) White Paper on Water Supply and Sanitation (1994)
- (b) White Paper on National Water Policy for South Africa (1997)
- (c) White Paper on Basic Household Sanitation (2001)
- (d) Strategic Framework for Water Services (2003)
- (e) National Water Resources Strategy, Second Edition (2013)
- (f) Water and Sanitation Climate Change Policy (2017)

## 9.3 The legislative mandates

The Department and the sector draw their primary mandate from the following legislation.

### 9.3.1 The National Water Act, 1998 (Act No 36 of 1998) as amended

The National Water Act seeks to ensure that the country's water resources are protected, used, developed, conserved, managed, and controlled in a sustainable and equitable manner for the benefit of all people.

The Act assigns the national government as the public trustee of the water resources. Acting through the Minister, it has the power to regulate the allocation, use, flow, and control of all water in the Republic. It also identifies the need to establish suitable institutions to achieve its purpose. In addition, it provides for the development of the National Water Resources Strategy (NWRS) which must be regularly reviewed and the requirement of each Catchment Management Agency (CMA) to develop a catchment management strategy for the water resources within its jurisdiction.

### 9.3.2 The Water Services Act, 1997 (Act No 108 of 1997)

The Water Services Act prescribes the legislative duty of municipalities as water service authorities to supply water and sanitation according to national norms and standards. In addition, it regulates Water Boards as important water service providers.

The Act compels the Minister to maintain a National Water Services Information System and to monitor the performance of all water services institutions, as well as providing for the monitoring of water services and intervention by the Minister or the relevant Province when necessitated.

With reference to a "right to basic sanitation", this is the primary legislation relating to sanitation in South Africa. It further defines basic sanitation as: 'The prescribed minimum standard of services necessary for the safe, hygienic and adequate collection, removal, disposal or purification of human excreta, domestic wastewater and sewerage from households, including informal households. Further regulations, norms and standards pertaining to sanitation can be found in the Housing Act (No.107 of 1997).

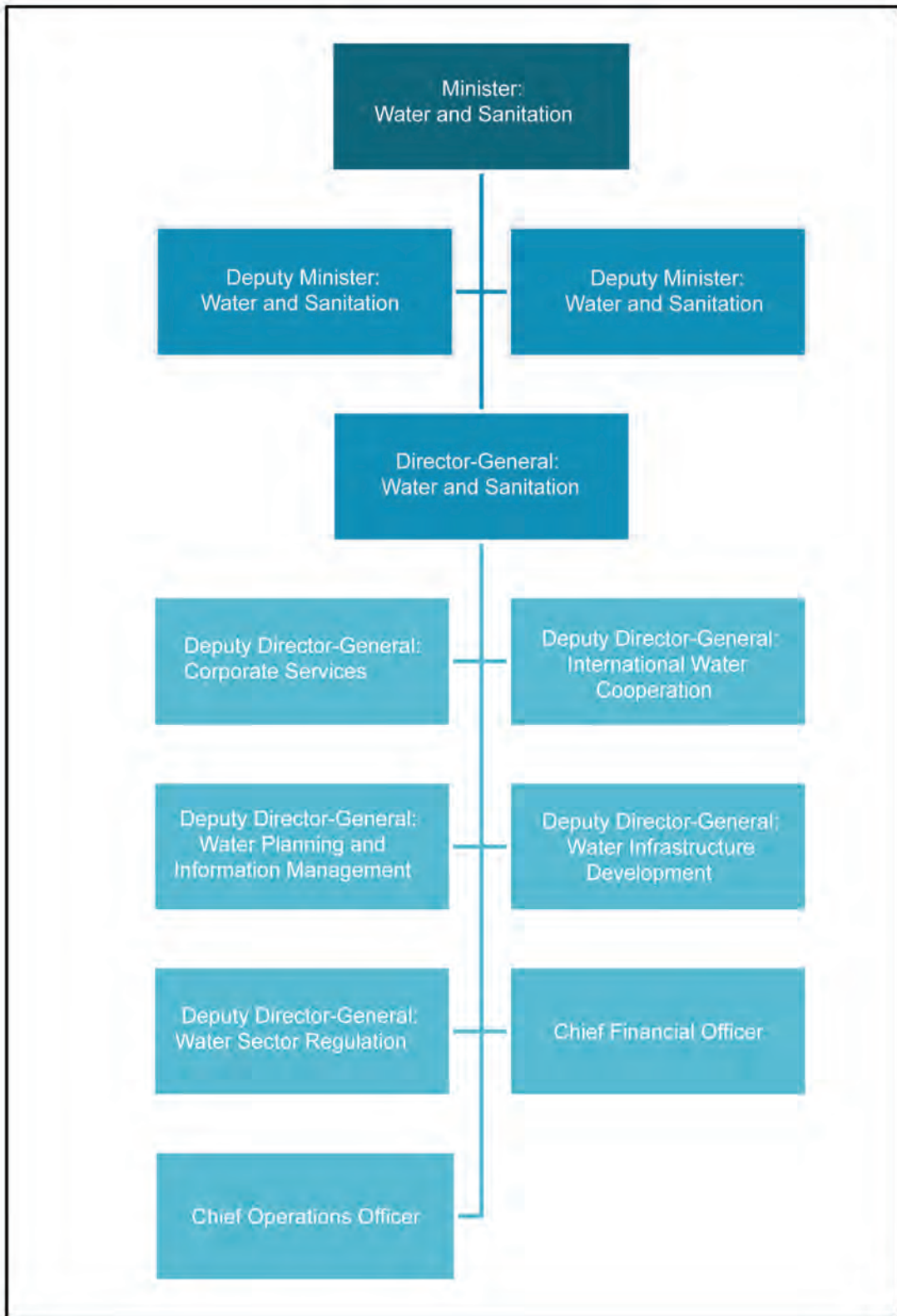
It acknowledges that although municipalities have authority to administer water supply services and sanitation services, all government spheres are required to work towards this object, within the limits of physical and financial feasibility.

### 9.3.3 The Water Research Act, 1971 (Act No 34 of 1971)

The Water Research Act establishes the Water Research Commission and the Water Research Fund, and thus promotes water related research and the use of water for agricultural purposes, industrial purposes or urban purposes. The Minister appoints members of the Water Research Commission (the Commission), and thus exercises executive oversight over the Commission.



10 ORGANISATIONAL STRUCTURE



## 11 ENTITIES REPORTING TO THE MINISTER

The table below summarises the legislative mandate, the financial relationship and the nature of operation for the 13 entities that reported to the Minister during the period under review

No	Name of entity	Legislative mandate	Financial relationship	Nature of operations
1	Trans Caledon Tunnel Authority (TCTA)	The TCTA was originally established as a Special Purpose Vehicle to fulfil South Africa's Treaty obligations in respect of the Lesotho Highlands Water Project. It has undertaken further work, which varies considerably in nature, on directive from the Minister.	TCTA is listed as schedule 2 in terms of the PFMA	To implement and fund government water schemes off budget entitled by the National Water Act to raise loans to finance the development of new water resource infrastructure.
2	Water Research commission (WRC)	To facilitate research in the water sector in terms of the Water Research Act of 1971	WRC is listed as schedule 3A in term of the PFMA	To facilitate water research and development on behalf of the nation.
<b>Catchment Management Agencies</b>				
3	Inkomati-Usuthu (IUCMA)	Catchment Management Agencies (CMAs) are established in terms of Chapter 7 of the National Water Act.	The CMAs are listed as schedule 3A entities in the PFMA.	Management water resources at catchment level in collaboration with local stakeholders (with a specific focus on involving local communities in the decision making) regarding the basic human needs, promoting equitable access to water and facilitating social and economic development.
4	Breede-Gouritz (BGCMA)			
<b>Water Boards</b>				
5	Amatola Water	Water boards are established in terms of the Water Services Act of 1997 to provide bulk water services.	Water boards are listed as schedule 3B in terms of the PFMA	All water boards provide bulk water services to the municipalities, industries, and the mines.
6	Bloem Water			
7	Lepelle Northern Water			
8	Magalies Water			
9	Mhlathuze Water			
10	Overberg Water			
11	Rand Water			
12	Sedibeng Water			
13	Umgeni Water			



# PART B: PERFORMANCE INFORMATION

## 1 AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the predetermined objectives heading in the report on other legal and regulatory requirements report on audit of Annual Performance Report (APR).

Reference is made to the AGSA report for Vote 41; Section 1 to 46, set out on pages 198 to 202 in Part E (Financial Information) of this annual report.

## 2 OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service delivery environment

South Africa is naturally inclined to drought conditions because it's a semi- arid country. These drought conditions were exacerbated after the strong 2015-16 El Niño events. The El Niño impacts combined with the on-going droughts presumably have resulted in significant declines in the water resources of the country. This drought occurrence is evident in both climatic regions of South Africa (i.e. summer and winter rainfall regions). This is substantiated by the decline in dam levels, reservoir storage and even groundwater levels based on the limited available data collected through various monitoring programs (groundwater levels, dam levels, reservoirs storage and rainfall) managed by the Department.

Although these monitoring programs managed to afford some data, the efficiency of these programs continues to face serious challenges (mainly administrative and financial) leading to gaps in the data to understand the status of water resources in South Africa. The result thereof is a decline in the number of monitoring sites (including key stations) as well as changes in frequencies without considering the technical aspects of the stations and importance of data collected from such stations.

During the 2019/20 hydrological year (HY), a decrease in the number of stations with available groundwater level data, dam level data and reservoir storage data had been noticed together with changes in frequencies in most of the stations of various monitoring networks. This report was compiled based on the available data in September 2020 which is the end of the 2019/20 hydrological year and seasonal available data for the 2020/21 hydrological year.

Only 59% of data was available in September 2020 for groundwater level monitoring out of all the active monitoring stations and 67% of data was available for the first half of the 2020/21 HY. For surface water on the other hand, only 28% of data from all active stations was available in September 2020 and 55% was available for the first half of the 2020/21 HY (i.e. January – March 2021).

The eastern part of the country has high evaporation rates compared to the western part of the country. In such regions with high potential of evaporation a great percentage of the rainfall received is often lost through evaporation, therefore there is not enough recharge to the groundwater system and the dams do not get enough water for the level to increase hence the declining levels in the water resources of the country. A very good recharge is required for the recovery of groundwater levels, dam levels and reservoirs storage.

## Climatic trends and their implications on water resources

South Africa experienced an above-normal hot year. The annual mean temperature anomalies for the year 2020 was on average about 0.5°C above the reference period (1981-2010), making it approximately the fifth hottest year on record since 1951. The annual average temperatures continue to rise by 0.16 °C per decade. The implications are that South Africa will continue to experience severe flooding and drought events more frequently, which will affect the availability and supply of water.

During the 2019/20 HY, dry conditions persisted over large parts west of the country. In some parts the dry conditions have continued for approximately seven years. Overall, the 2019/20 HY was characterised by below-normal rainfall, except for the Limpopo water management area (WMA), which received rainfall that is slightly above the normal. No WMA was classified as experiencing a dry or wet year; however, the most significant anomaly was for the Orange and Inkomati-Usuthu WMAs which received 14% and 16% less than normal rainfall, respectively.

In the first half of the 2020/21 hydrological year, most of the central and north parts of the country received seasonal rainfall that is above normal. Notably, the western parts of the country in the lower Vaal WMA experienced the highest anomaly of above normal rainfalls by between 150% - 2000% as reflected in figure 2.1.1 below. This was due to cyclone Eloise that was experienced in the eastern half of the country during the summer season. As a result, this is reflected in the national surface water storage for the first half of the 2020/21 HY with an average higher by 14% compared to the same period in the previous year.

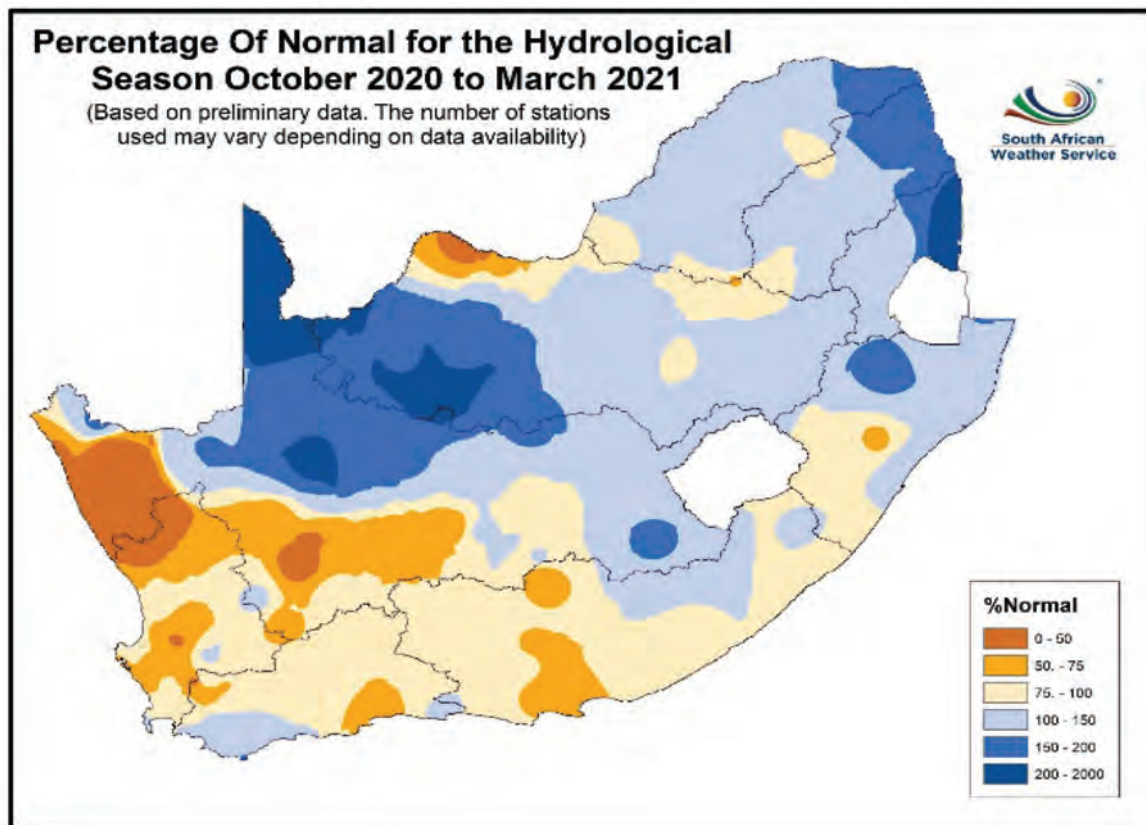


Figure 2.1.1: Seasonal total rainfall anomalies (Data source: South African Weather Service)



The areas that have been affected by moderately dry to extremely dry conditions, are the central to southern areas of the Eastern Cape, southern to western parts of the Northern Cape together with the Karoo areas in the Western Cape which are still experiencing drought on a longer time scale as reflected in figure 2.1.2 below. An improvement in dry conditions was observed in most of the central western parts of the country because of rains that continued till the end of the year in March as reflected in figure 2.1.3 below.

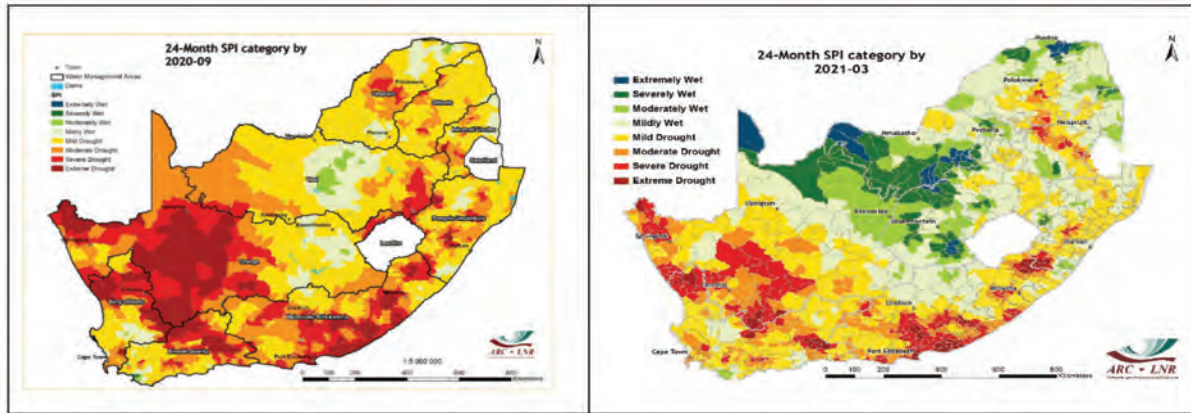


Figure 2.1.2: Twenty-four (24) months standard precipitation index (SPI) end of 2019/20 HY (A) and 24-months at end of the first half of 2020/21 HY (B)

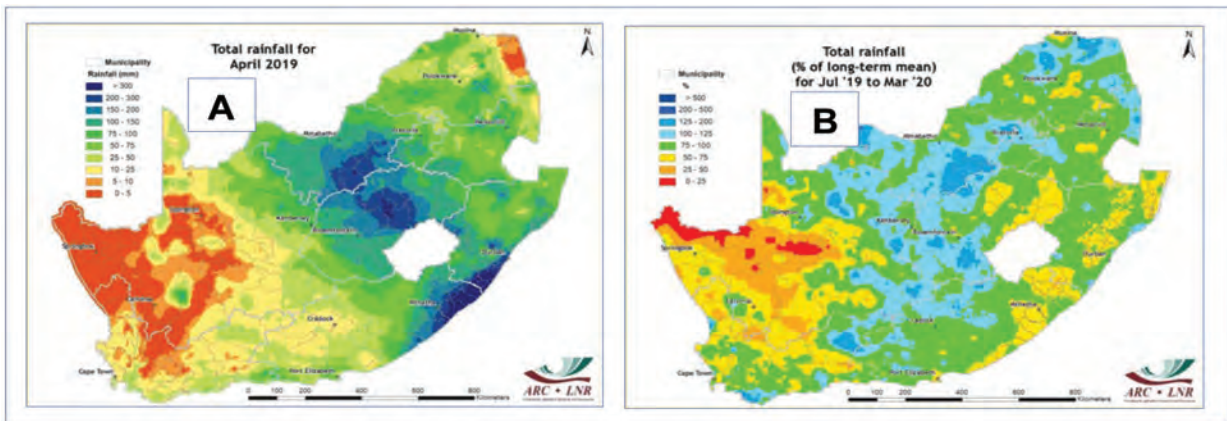


Figure 2.1.3: Total rainfall for April 2019 (A) and total rainfall as an average percentage of long term mean for Jul 2019 to Mar 2020 (B)

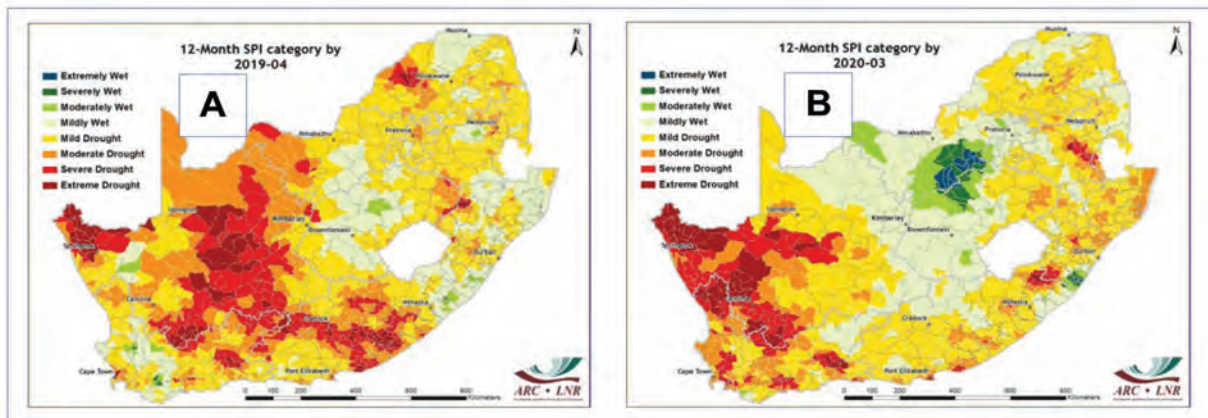


Figure 2.1.4: 12-months SPI for Apr'19 (A) and Mar'20 (B)

The winter season (i.e. July to August) was characterised by colder than normal conditions over most of South Africa and well above-normal rainfall over most of the south-western Cape.

Due to the rather few widespread high intensity storms and extended heavy showers, there were no notable fluvial flooding incidents across the country over the 2019/20 HY. However, several cases of urban flooding which led to fatalities, destruction of property and infrastructure and disruption of services, especially in Gauteng, KwaZulu-Natal, and Limpopo.

During the first half of the 2020/21 HY, tropical cyclone Eloise was experienced. This was the sixth tropical cyclone to develop in the South West Indian Ocean (SWIO), and the third such system to affect southern Africa. "Eloise" made landfall in the early morning hours of 23 January 2021 over the coast of Mozambique around the city of Beira, resulting in significant damage to infrastructure and loss of lives in the city. A few hours after its landfall, "Eloise" lost its strength and was reduced to an overland tropical depression. The system continued to move inland, reaching the border of South Africa and Zimbabwe in the early morning hours of the 24 January 2021. Even prior to the actual low-pressure system reaching South Africa, the rain bands associated with the tropical depression already began affecting the Lowveld region of Limpopo and Mpumalanga on 23 January 2021. The tropical moisture associated with this system affected South Africa for the rest of the week, resulting in extensive significant flooding over the country.

Trends on climatic conditions, surface water flow, national dam storages & groundwater level and implications to water resources

Rainfall in South Africa is not evenly distributed, the western part of the country normally receives very late summer rainfalls, whereas the south-western part receives winter rainfall, and the southern part receives late summer and all-year round rainfall as reflected in figure 2.1.5 below.

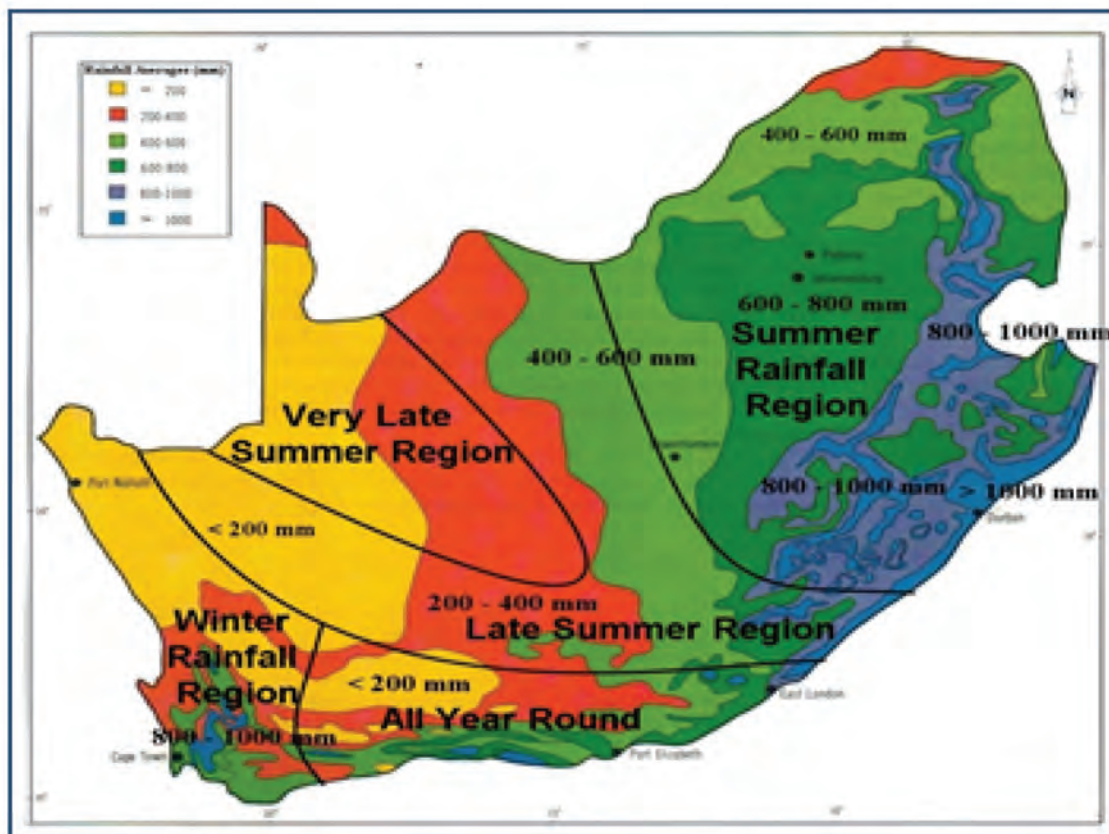
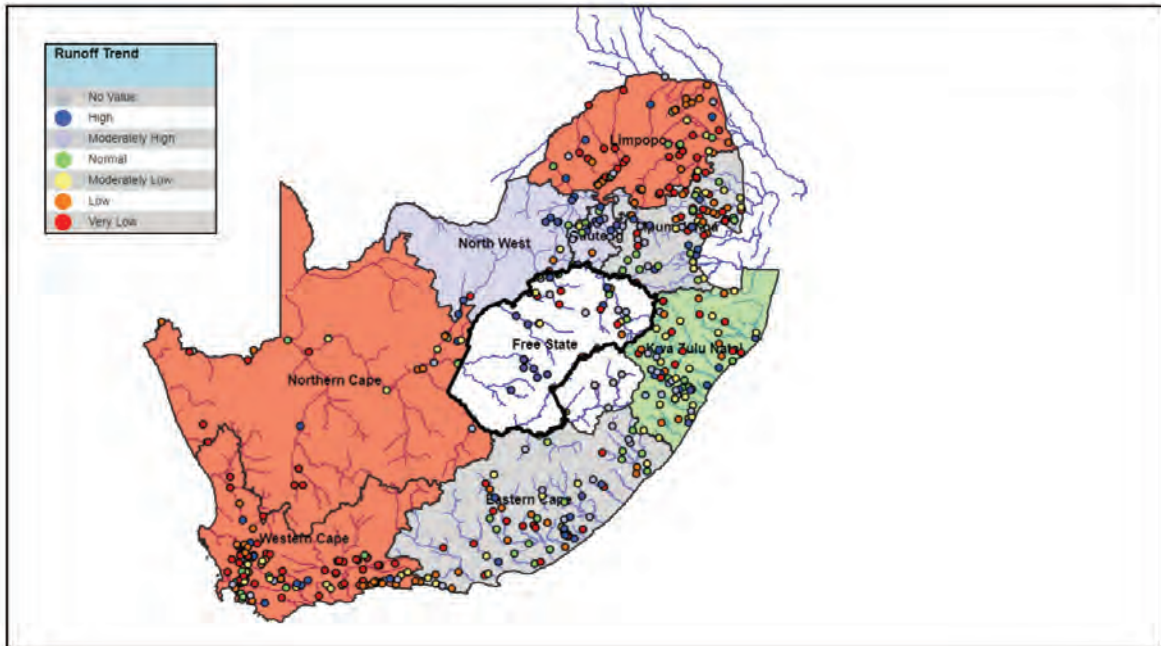


Figure 2.1.5: Rainfall patternal year



The Northern and eastern part of the country normally receives good summer rainfalls with the far north normally receiving little summer rainfalls.



**Figure 2.1.6: The runoff status overview per province**

The total volume of surface water stored in dams nationally is expressed as a percentage of full supply capacity, based on monitoring data from 222 dams. At the end of the rainy season (i.e. April 2020), which is generally experienced in the summer rainfall region (eastern half of the country), the national surface water storage was at 67.3% of full supply capacity. The lowest national storage levels were experienced in November 2020, however, toward the end of January to mid-March a significant increase in national storage from approximately 63% to 88% of full supply capacity, due to cyclone Eloise experienced in January mostly in the eastern half of the country.

Figures 2.1.7 and 2.1.8 below present the financial year 2020/21 surface water storage trends for WMA and provinces, respectively.

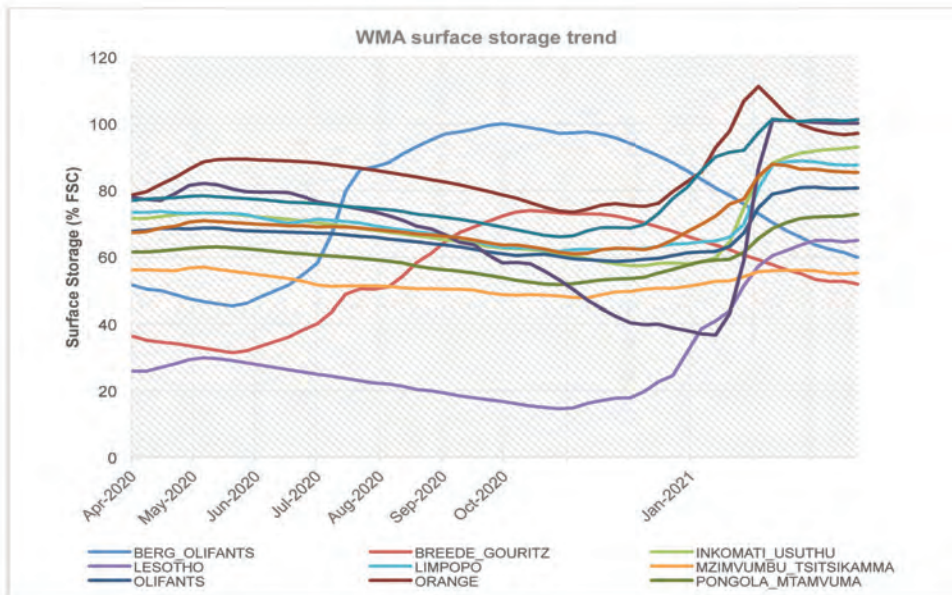


Figure 2.1.7: Weekly surface water storage trend per WMA

The financial year weekly trends of dam levels per water management area reflected in figure 2.1.7 above, shows that the Mzimvubu-Tsitsikamma WMA has consistently been showing dam levels below 56% of full supply capacity for the whole reporting period. It is for this reason that water use restrictions have been implemented for all water supply systems within the water management area (namely, Algoa, Amathole, Klipplaat, and Butterworth water supply systems). Also, the international areas of Lesotho and Swaziland also have during the wet season experienced below optimal storage levels. Lesotho was at a low of approximately 15% in November 2020 while Swaziland was at a low of 37% of full supply capacity in January 2021.

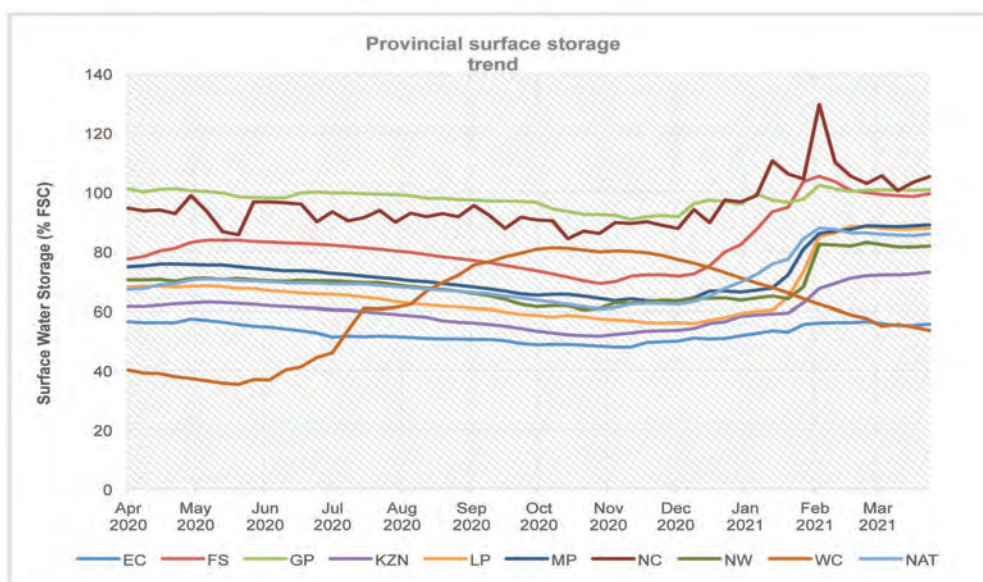


Figure 2.1.8: Weekly surface water storage trend per WMA

Provincially, the Gauteng, Northern Cape and Free State Provinces have for the whole period of reporting experienced storage levels above the national storage levels as reflected in figure 2.1.8 above. Notably, for the month of April 2020 when the dry season begun, Gauteng was for the whole month experiencing storage levels above 100% of the full supply capacity. On the other hand, Limpopo, KwaZulu-Natal, and Eastern Cape have notably been experiencing storage levels below the national storage. The dam levels in these three (3) provinces as well as the whole country in general have been mostly affected by below normal rainfall received during the past seven years.

The Western Cape province which is characterised by winter rainfalls has between October and November 2020 experienced peak storage levels of approximately 80% of fully supply capacity. This was an indication of good winter rainfalls received between July and August.

The country's groundwater levels follow a steadily declining trend on a national scale with an average maximum of 31% observed during the 2019/20 HY. There are various reasons for such a decline including the perceived natural aquifer discharges to surface water systems during the dry period and anthropogenic withdrawals of groundwater (groundwater abstractions and dewatering). Over-abstraction is mainly the major cause of groundwater level decline in major aquifers, including Karst aquifers of the country and the Limpopo Province, for domestic supply and agricultural purposes. The coastal aquifers of the KwaZulu-Natal Province are impacted presumably by the extensive afforestation taking place in the area. In most cases, the reasons for decline in groundwater levels are not known and that it is crucial to continue monitoring and investigate the cause of declines in observed groundwater levels.

However, there were patches of areas where there was an increase, and the major ones are recorded in the south-western part of the country. Moderate increases in groundwater levels were observed in the eastern and central part of the country.

Overall, the groundwater levels in the country displayed a declining trend, although there are a few provinces where a slight recovery is observed however, not strong. Limpopo, Western Cape, North West the groundwater level continued to decline during this period and there is no sign of recovery.

On the contrary Gauteng and Kwa-Zulu Natal show good recovery compared to the other provinces as these provinces received very good rainfall during this period of the 2019/20 HY. In Mpumalanga, Free State, and the Eastern Cape Province there was a declining trend but with slight sign of recovery.

The figure below gives an indication of the trend in the groundwater level status over the past ten (10) years.


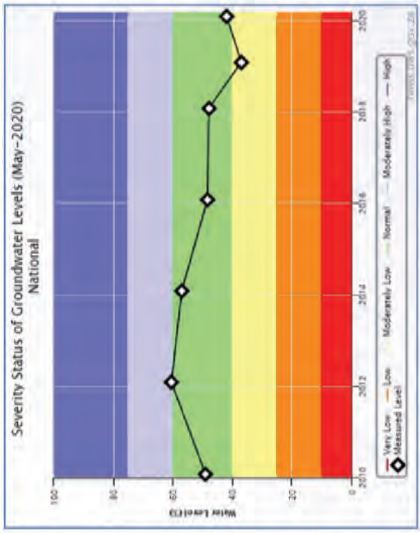
Map coverage: grid severity	Groundwater level status trend (over 10 years)	Groundwater level status comments	Challenges
		<p>The national view shows a normal groundwater level status 1,220,813 Km<sup>2</sup>. Generally, groundwater levels status in the country shows a declining trend, although the current status shows a little bit of recovery from moderately low to normal status. The possible causes of groundwater levels decline include over pumping, and lack of recharge (due to minimal rainfall) among others.</p>	<p>The flow of data into the systems is affected by:</p> <ul style="list-style-type: none"> <li>• Server availability,</li> <li>• Resources require to collect data (cars)</li> <li>• Monitoring instrument availability</li> <li>• Human resources availability</li> <li>• Travel restrictions'- COVID-19, among others</li> </ul>

Figure 2.1.9: Groundwater level status over past ten years

**Key:** Groundwater levels are between 0-10% = Very Low (Red); groundwater levels are between 10-25% = Low (Orange); groundwater levels are between 25- 40%= Moderately low (Yellow); groundwater levels are between 40 -60%= Normal (Green); groundwater levels are between 60-75% = Moderately High (blue accent); and groundwater levels are between 75 – 100% =High (Dark blue)

## Performance of water resource systems operation

The Department has developed guidelines for water supply systems during normal, drought and flooding conditions. Also, formal operating rules have also been developed for the main water supply systems in the country - such as the Integrated Vaal River, the Orange River, the Algoa, the Amathole, the Western Cape, the Greater Bloemfontein, the Umgeni, the Umhlathuze and the Polokwane water supply systems. An operating rule is a procedural guide for governing the regulation of water resources for a particular system/dam to reconcile expected water requirements with availability.

Monitoring of the water supply systems' performance during the period under review can be summarised as follows:

- **Algoa system:** the five (5) dams serving the Nelson Mandela Bay are sitting at a combined average of 12% compared to 20% same period last year. The situation remains critical for this system, particularly the Kouga/ Loerie subsystem supplying water to Gamtoos valley and small towns like Hankey and Patensie. Restrictions of 25% for domestic and industrial use and 60% on irrigation use were imposed for the 2020/21 hydrological year. These restrictions are still in place for 2021/22 hydrological year.
- **Amathole system:** the six (6) dams serving the Buffalo City are at a combined average of 34% compared to 45% the same period last year. There were no restrictions during the 2020/21 hydrological period of review as the system was able to supply its allocated water uses. The 2021/22 annual operating analysis has not yet been finalised.
- **Greater Bloemfontein system:** the four (4) dams serving mainly Mangaung recorded 81% in storage compared to 56% at the same period last year. The increase in storage was mainly because of heavy rainfall experienced during the first 3 months in 2021. While transfer from the Caledon River took place, it was not always optimal to exploit the high flows in the Caledon River because of pump outages at the Tienfontein pumping station. Twenty-four percent (24%) water restrictions were imposed on the system and remain in place until the Annual Operating Analysis (AOA) and the System Operating Forum (SOF) for the 2021/22 operating year have been concluded.
- **Western Cape Water Supply system (WCWSS):** the six (6) dams serving mainly the City of Cape Town and the irrigation sector depending on the system recorded a combined storage level of 68% compared to 53% the same period last year. There are no restrictions imposed on the system currently.
- **Crocodile West system:** the six (6) dams serving mainly Tshwane, Madibeng and Rustenburg are standing at an average storage level of 94% compared to 87% at the same time last year. No restrictions were imposed on the system last water year and the situation remain the same in the 2021/22 water year.
- **Integrated Vaal River system:** It has fourteen (14) dams that serve mainly Gauteng Rand Water, Sasol and Eskom. The system storage is at 60% compared to 66% the same time last year. There were no restrictions in the 2020/21 systems operating year and the situation remain the same until the Annual Operating Analysis (AOA) and the System Operating Forum (SOF) for the 2021/22 operating year have been concluded.
- **Polokwane system:** Dams in this system recorded an average storage level of 98% compared to 71% the previous year. In the 2020/21 water year restrictions of 20% for domestic and industrial water users were imposed. The same restrictions are still in place until the 2021/22 operating rules are finalised towards the end of this month.
- **Umgeni system:** the five (5) dams mainly serving eThekweni and Msunduzi reflected an average storage level of 85% compared to 74% the same period last year. There are no restrictions in place.
- **Umhlathuze system:** It comprises of Goedertrouw Dam and several lakes within the KwaZulu-Natal (KZN) coastline. It supplies water for irrigation, domestic and industrial use within King Cetshwayo District Municipality. Goedertrouw Dam storage is currently at 74% compared to 56% at the same time last year. In the presentation of results of the AOA to the SOF in May, it was agreed to lift the gazetted 2020/21 restrictions, considering the good storage level in the system.

Decision dates for reviewing operating rules and corresponding restrictions, if any, for systems in the summer and winter rainfall regions are made in May and November respectively.



## Infrastructure in terms of water resources and water services

There is a well-developed infrastructure, with more than 5 569 registered dams in South Africa. This number is only for those dams that are classified as having a potential for dam safety risk (i.e. dams with a minimum wall height of five (5) metres and are capable of storing more than fifty (50) Megalitres (i.e. 50 000 m<sup>3</sup>) water. The dams which do not fall within the above-mentioned category are not registered with the Department's dam safety.

The table below indicates the current registered ownership by the end of the 2020/21 financial year:

**Table 2.1.1: Number of registered dams and associated ownership**

Size class	Number of dams per ownership						Total	% per class
	DWS	Municipalities	Other state departments	Water Boards	Mines, Industry, Business	Agriculture		
Small	83	197	56	59	236	3679	4310	77.4%
Medium	135	120	27	51	63	689	1085	19.5%
Large	105	31	2	10	15	11	174	3.1%
Total	323	348	85	120	314	4379	5569	100%

The Department has an Operations and Maintenance (O & M) unit responsible for the management of 255 Government Water Schemes (GWSs). The operations thereof are funded by revenue obtained through the tariff charges to users. The pricing strategy dictates that the O & M charges should comprise of:

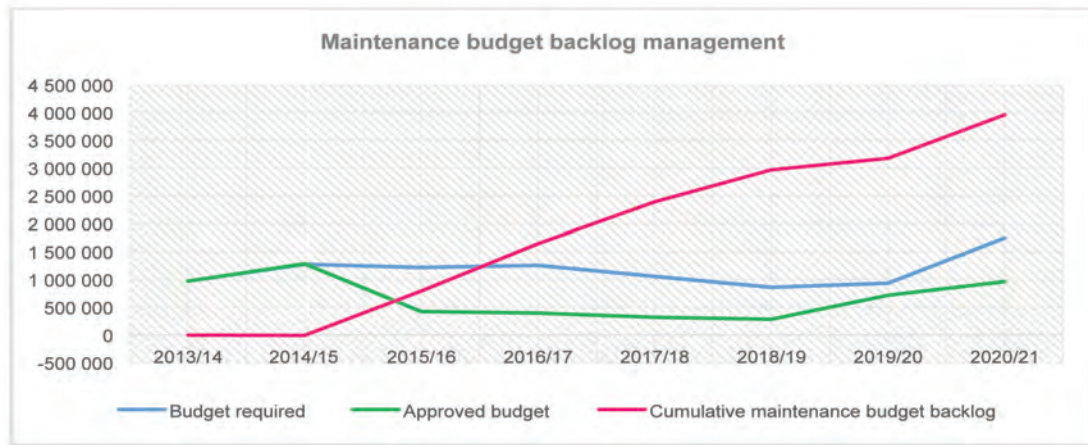
- Direct costs (pumping, O & M, distribution, administration);
- Indirect costs (overall cluster and area office costs);
- Depreciation (capital requirements for refurbishment); and
- Return on Assets (capital to be set aside of betterment and development of new infrastructure).

The existing infrastructure needs maintenance, and the country is already experiencing challenges with lack of focus on sustainable asset management. The funding pressures, however, prevent the O & M unit to receive the required allocation as per the charges posed on the users. A case in point is the Southern Cluster that generated revenue of R529 million but only received R228 million for operations expenditure (OPEX).

For the period under review, the entire unit received R1.9 billion whilst a total of R2.9 billion was required. This implied that the capital expenditure (CAPEX) funding maintenance for the fifty-six (56) pump stations, 323 state dams and others strategic infrastructure are still severely affected.

A financially downscaled O & M function will have a detrimental impact on the national economy. The strategic users such as ESKOM and SASOL are heavily dependent on the services of this unit (as per signed user agreements), and any failure in this regard could lead to inter alia energy and fuel shortages. In addition, if the operating rules are not adhered to there is a long-term impact on water resource management.

The figure below reflects the growing backlog on maintenance budget requirements due to decreasing budget allocation.



**Figure 2.1.10: Backlog on maintenance due to decreasing budget allocation**

The schemes also require efficient and effective operations, for which specialised skills and capabilities at all levels are needed. Major challenges are experienced regarding the capabilities of water services authorities to effectively manage the schemes on a sustainable basis. This issue needs to be dealt with decisively through a review of the mandates and policies in relation to the management of water infrastructure, and available capacity.



### Compliance monitoring and enforcement

Figures 2.1.11 and 2.1.12 below reflect that trend analysis for compliance inspections and investigation capacity have been gradually declining over the past three (3) financial years due to human and capital resources that were proportionally in decline over the same period.

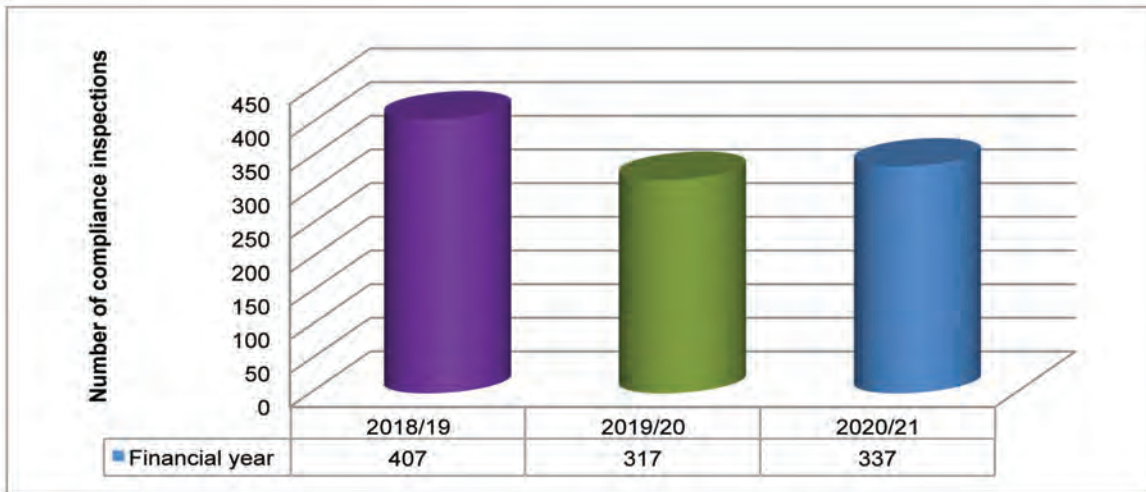


Figure 2.1.11: Trend analysis of compliance inspections per financial year from 2018/19 to 2020/21 financial years

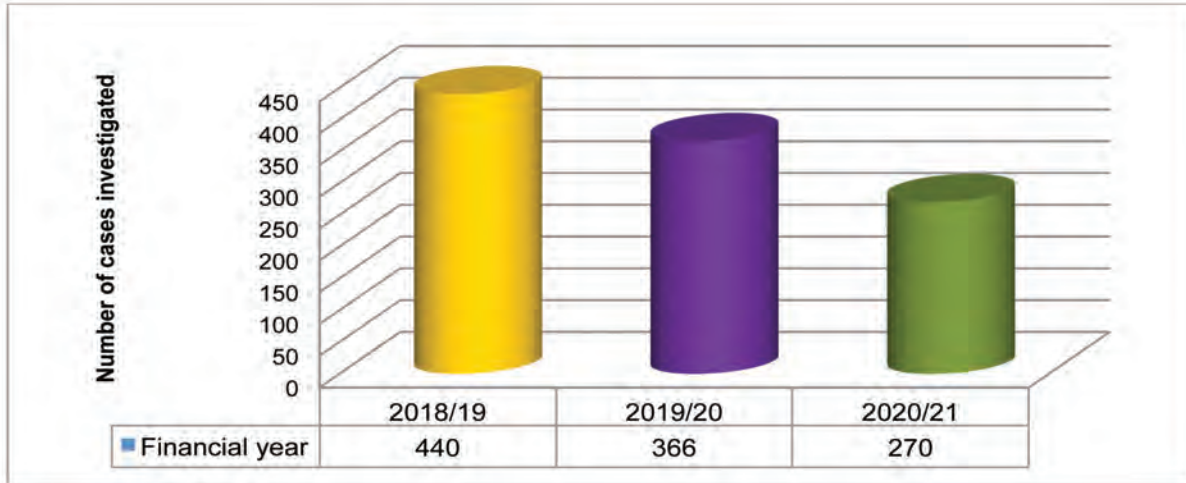
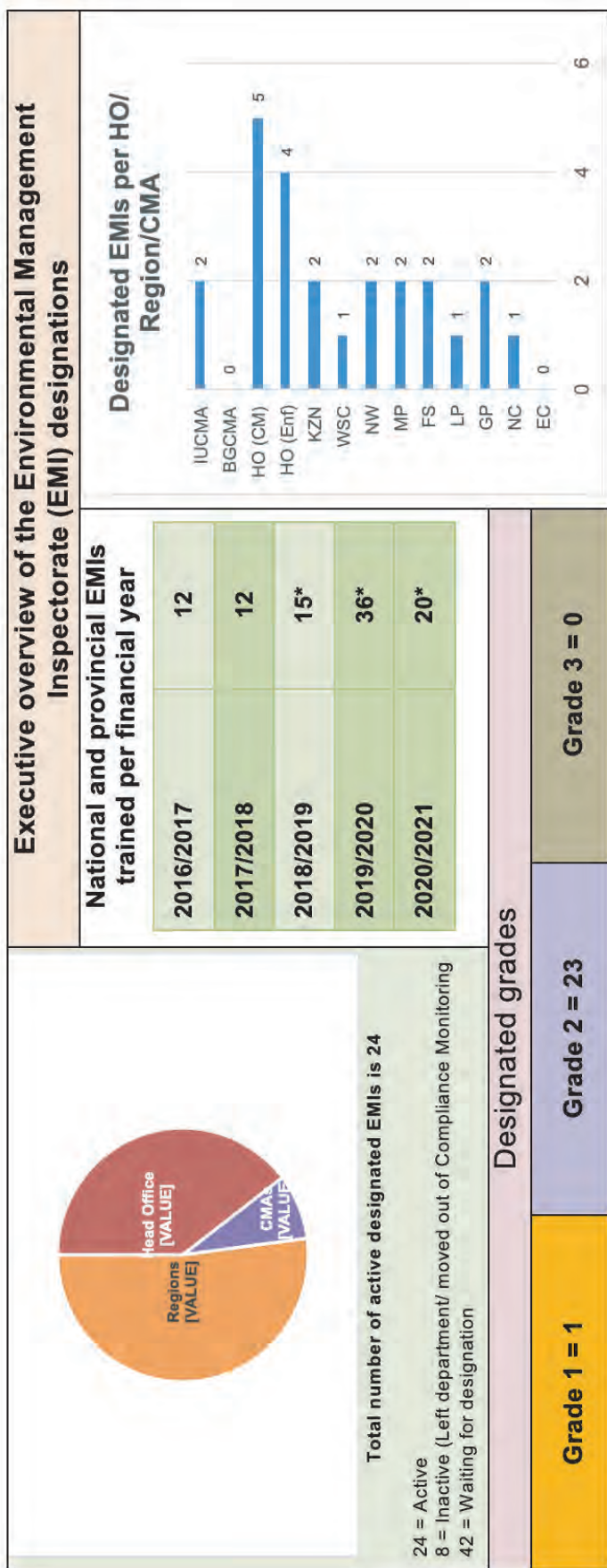


Figure 2.1.12: Trend analysis on the number cases investigated from 2018/19 to 2020/21

To mitigate the aforementioned and strengthen the compliance monitoring and enforcement capacity of the Department, a total of twenty (20) environmental management inspectors (EMIs) were trained during the period under review. The progress on establishing a designated environmental inspectorate is indicated below:



\*The approval of the following designations to give effect to officials as peace officers is underway:

Training dates	Number of officials and offices	Total passed but awaiting designation letters
Training done in Oct 2018	Six (6) in KwaZulu-Natal; three (3) Inkomati-Usuthu Catchment Management Agency (IUCMA)	Total = 9
Training done in Aug 2019	Sixteen (16) in Head Office (10 compliance monitoring and 6 enforcement); two (2) IUCMA; one (1) in Limpopo; two (2) in Mpumalanga; three (3) in Eastern Cape; eight (8) in Gauteng; one (1) in Northern Cape; two (2) in Breede-Gouritz Catchment Management Agency (BGCMA) and one (1) in Free State	Total = 36
Training done in Feb 2021	Ten (10) in Head Office, one (1) in IUCMA, three (3) in Gauteng, two in (2) in Eastern Cape, one (1) in Western Cape, one (1) in North West, one (1) in Northern Cape and one (1) in Limpopo	Finalise training results

From the compliance inspections conducted during the period under review, the agricultural sector continued to receive more attention as reflected in the figure below:

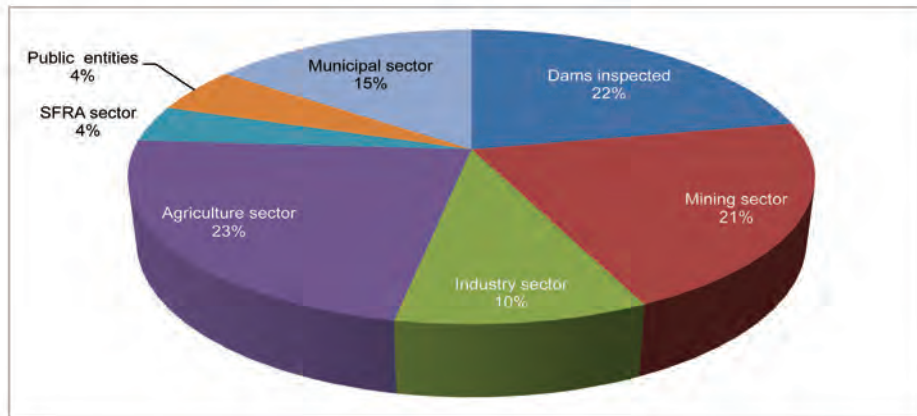


Figure 2.1.13: Compliance inspections per sector for the 2020/21 financial year

The local government sector accounted for more cases within the enforcement area as it accounted for more cases reported during the period under review. The figure below reflects the enforcement cases dealt with within the various sectors:

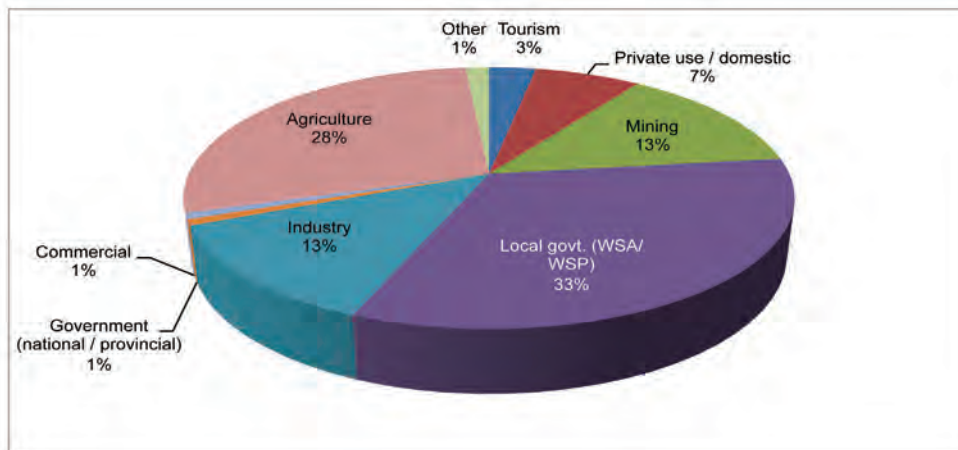


Figure 2.1.14: Enforcement cases per sector for the 2020/21 financial year

The Water Services Act, 1997 provides the legislative framework for provision of water services, establishment of a regulatory framework, monitoring of water services, interventions and gathering of information in a national information system in terms of section 2 (a), (d), (f) and (h). It also provides for prescription of compulsory national standards relating to provision of water services and the quality of water taking into consideration guidelines as recommended by official standard-setting institutions to which waterservicesinstitutionsmust complywith. It further requires the establishment and maintenance of a national information system to monitor the performance of water services institutions and hence the development of the Integrated Regulatory Information System (IRIS).

There are 144 water service authorities (WSAs) in the country that currently that provide water services with 1 036 water supply systems and 963 wastewater treatment works (WWTW). These WSA are encouraged to submit monthly data for both drinking water and wastewater effluent through the IRIS to allow for compliance monitoring. For the period under review, the national drinking water quality is at 94.2% (based on the acute health [microbiological & chemical] and chronic health [chemical]) and with the wastewater effluent at 72.5% (based on microbiological and chemical).

## 2.2 Service delivery improvement plan

**Table 2.2.1: Main services and standards**

Main services	Beneficiaries	Current/ actual standard of service	Desired standard of service	Actual achievement
Adherence to water supply agreements / when operating the Government Water Schemes	Domestic, industry and irrigation users	80% adherence to water supply agreements / when operating the Government Water Schemes	A total of 80% adherence to water supply agreements / when operating the Government Water Schemes in all four clusters	An average of 102% adherence to water supply agreements / when operating the Government Water Schemes in three clusters
Finalise applications for water use authorisation within regulatory timelines	Agriculture, forestry, local government, mines, and industry users as well as state owned entities	80% of applications for water use authorisation finalised within regulated period	80% of applications for water use authorisation finalised within 90 days	63% of applications for water use authorisation finalised within 300 days
Investigate reported non-compliant water uses	All water users	80% of reported non-compliant cases investigated	80% of reported non-compliant cases investigated	101% of reported non-compliant cases investigated

**Table 2.2.2: Batho Pele arrangements with beneficiaries**

Current/ actual arrangements	Desired arrangements	Actual achievements
Media briefings	Interactive engagements with members of the press about organisational matters.	A total of twenty-one (21) media briefings were convened.
Media products and publications	Develop material on the activities of the Department	A total of: <ul style="list-style-type: none"> <li>• 1188 media products were developed</li> <li>• 10 publications developed</li> </ul>
Marketing and advertising campaigns	Implement campaigns to make people aware of the Department's activities.	A total of thirteen (13) marketing and advertising campaigns were conducted.

**Table 2.2.3: Complaints mechanism**

Current/ actual complaints mechanism	Desired complaints mechanism	Actual achievements
Single Customer Interactive Channel Toll Free is in place to register complaints 0800-200-200	Multiple Customer Interaction Channels to register complaints using the customer's preferred channel of communication	Multiple Customer Interaction Channels created and integrated into a Case Management system: Telephone: 0800-200-200 E-mail: <a href="mailto:Info@dws.gov.za">Info@dws.gov.za</a> SMS: 45174 Fax: 012 336 8664 Web: <a href="http://www.dwa.gov.za/CustomerCare/CustomerServicePortal.aspx">http://www.dwa.gov.za/CustomerCare/CustomerServicePortal.aspx</a> Face to Face: 18 Provincial Walk-In Centres

## 2.3 Organisational environment

The internal or 'in-house' situations that affected the performance during the period under review can be summarised as follows:

### Human resource management

The water sector is inter-sectoral and multi-disciplinary in nature. Its multi-disciplinary nature covers a range of responsibilities including policy and regulation, planning and management, capital works design, construction, operation, and maintenance, ecological, water quality and social analysis, financial management, across both urban and rural environments.

The Department is the executive arm of national government with various roles including policy developer a regulator, an implementer, and an operator of water resource infrastructure. Some of these roles have a potential conflict of interest, while, water resources regulation, which is local in nature, could be performed better by a more decentralised arrangement such as a catchment management agency.



An effective water sector requires human resources capacity for different functions at different institutions – both in terms of numbers to meet demand for specific skills, and competencies in terms of skills, qualifications, and experience. A skills gap analysis conducted by the Water Research Commission (WRC) in 2015, looking at numbers of staff and their skills relative to required skills, showed significant skills gaps in water sector institutions, including the Department, CMAs, water boards and municipalities.

With effect from 1 April 2021, the Department implemented a new functional macro-organisational structure. Senior Managers were migrated from the old to the new structure. The Department is now reviewing the microstructure (below senior management level).

By the end of March 2021, the Department's overall vacancy rate stood at 18.9% while the vacancy rate for specifically the engineers and scientists was below 10%. It should be noted that the higher than usual vacancy rate includes unfunded posts on the structure. As part of the current structure review process that the Department is undertaking, all unfunded vacancies are being abolished.

The Department is still faced with the challenge of attracting and retaining experienced technical expertise owing to uncompetitive salaries and / or unsuitable working environment. The impact of the COVID-19 pandemic has further negatively impacted the Department's ability to fill vacancies due to lockdown restrictions.

## Managing data and information

Effective information management, monitoring and evaluation is crucial for the successful management and regulation of water resources or water services as it creates the platform to initiate interventions / actions, understand trends, adapt management plans appropriately or plan effectively for the future. This is particularly critical in an environment facing significant change.

The lack of data and information resulting from weak monitoring systems, information systems that are outdated pose a high risk. In addition, monitoring and reporting has also been compromised by the high staff turnover in the Department, resulting in the lack of technically qualified staff. Also, this is affected by budget constraints whilst the costs for running the programmes are increasing. Therefore, improved, and modernised information systems must be developed.

The use of information communication technology (ICT) in the Department continues to play an enabling role to support the business processes. To this end, the department is embarking on a legacy technology modernisation drive while maintaining a high availability of ICT systems. However poor implementation of the ICT strategic plan due to funding constraints as well as the ageing ICT infrastructure and legacy applications contributes to ICT weaknesses.

The lack of internal capacity on critical ICT posts resulting in overreliance on consultants poses a threat to the Department. Digital transformation presents the Department with new opportunities to create digital service delivery platforms that integrates products and services as new ways and approaches for improving service delivery and efficiencies in the water resource management environment and provides new insights from data in a secured manner.

## 2.4 Key policy developments and legislative changes

The policy developments and legislative changes for the period under review can be summarised as follows:

### 2.4.1 Policies under development

**Draft Mine Water Management:** the policy seeks to balance the mining sector's economic development with the protection and ensuring sustainable use of water resources in a manner that is beneficial to all. It will provide a coherent and integrated South African approach for sustainable mine water management by building on existing strengths, addressing gaps / weaknesses, and seizing identified opportunities relating to mine water management (including acid mine drainage). It was tabled at the Economic Sector, Investment, Employment, and Infrastructure Development (ESIEID) cluster on 18 September 2020; and was recommended for Cabinet for approval. The draft policy has been submitted for the Cabinet approval with the final Socio-Economic Impact Assessment System (SEIAS) sign-off obtained.

**Sustainable Hydropower Generation:** the policy aims to support the long-term energy master plan that pursues hydropower as part of the energy mix. In addition, it would provide policy positions on the establishment and development of hydropower from infrastructure owned by the Department as part of long-term interventions that support and contribute towards sustainable power supply in South Africa. The draft policy has been submitted for Cabinet approval with the final SEIAS sign-off obtained.

**Integrated Water Quality Management:** the policy seeks to develop an intergovernmental water quality management approach which would facilitate an integrated response to address water quality management challenges in the country. It aims to strengthen the existing integrated water quality management strategy that identified priority programmes to be implemented country wide. The draft policy has been submitted for Cabinet approval with the final SEIAS sign-off obtained.

## 2.4.2 Development of the National Water and Sanitation Act

The Department conducted a legislative review which sought to consolidate the National Water Act, 1998 (NWA) and the Water Services Act, 1997 (WSA) to a single legislation called the National Water and Sanitation Act (the Act).

This consolidation will clarify the legislative framework regarding water management across the water and sanitation value chain. It will further obviate the need for cross reading between the NWA and the WSA. The development of the National Water and Sanitation Bill, 2018 was prioritised to be presented to Cabinet.

During the period under review, approval was granted to deviate from the development of one Water and Sanitation Bill to the amendment of the two existing Acts for implementation in the next financial 2021/22 as outlined in the new APP.

## 2.4.3 Development of the National Water Resources Strategy edition three (NWRS-3)

The National Water Resources Strategy (NWRS) provides a framework within which water resources of South Africa will be protected, used, developed, conserved, and managed in an efficient and sustainable manner towards achieving South Africa's development priorities over the next five to ten years. It responds to priorities set by government within the National Development Plan (NDP) and National Water Act imperatives that support sustainable development.

The review of the NWRS second edition (NWRS-2) provides an opportunity to determine the impact of its implementation by the sector. It also seeks to identify the implementation successes thereof and most importantly the persistent challenges.

The review of the NWRS second edition (NWRS-2) provides an opportunity to determine the impact of its implementation by the sector. It also seeks to identify the implementation successes thereof and most importantly the persistent challenges.

For the period under review, the draft NWRS-3 and supporting documents were submitted to Cabinet secretariat for tabling for approval to gazette for public consultation. However, due to lock down arising from COVID-19 pandemic, there have been delays in the Cabinet processes.



## 3 DEPARTMENTAL OUTCOMES

Outcomes		Outcome indicators		2020/21 progress
1	Efficient, effective and development orientated department	1.1	Percentage implementation of the departmental financial recovery and turnaround plan	<b>Annual milestone partially met</b> 77% implementation
		1.2	Percentage compliance with corporate governance regulatory prescripts	<b>Annual milestone exceeded</b> 107% compliance
		1.3	Annual International Relations Programme implemented	<b>Annual milestone partially met</b> 67% implementation
		1.4	Annual Communication, Stakeholder Management and Partnership Programme implemented	<b>Annual milestone exceeded</b> 172% implementation
		1.5	Targeted procurement supporting SMMEs	<b>Annual milestone exceeded</b> 49% targeted procurement
2	Ecological infrastructure protected and restored	2.1	Number of river systems with water resource classes and determined resource quality objectives	<b>Annual milestone exceeded</b> Final report for Thukela water resource classes
		2.2	Waste Discharge Charge System (WDCS) finalised for priority water management areas	<b>Annual milestone met</b> WDCS methodology and management approach developed
		2.3	Number of main stem rivers monitored for implementation of Resource Directed Measures (i.e. classification, resource quality objectives and the reserve) by 2024	<b>Annual milestone met</b> 4 main stem rivers monitored in Inkomati-Usuthu WMA
		2.4	Number of rivers in which the river eco-status monitoring programme is implemented	<b>Annual milestone exceeded</b> 77 rivers
		2.5	Number of strategies developed for AMD mitigation	<b>Annual milestone met</b> 2 AMD mitigation strategies developed
		2.6	Mine water/ wastewater management plans implemented	N/A
3	Water demand reduced and water supply increased	3.1	Water conservation and water demand strategies developed for water use sectors	N/A
		3.2	Water resource mix diversified	N/A
			Surface water	10 228 million m <sup>3</sup> per annum
			Ground water	2 785 million m <sup>3</sup> per annum
			Return flows / re-use	1 431 million m <sup>3</sup> per annum
		Desalination	150 million m <sup>3</sup> per annum	
		3.3	Gauging stations developed, maintained and refurbished to improve management decisions on water quantity and quality	Annual milestone met
Additional gauging stations developed	N/A			
	Existing gauging station maintained and refurbished	1 gauging station maintained and refurbished		

	Outcomes	Outcome indicators	2020/21 progress
4	Water and sanitation services managed effectively	4.1 Annual Municipal Strategic Self-Assessment (MuSSA) reports on water service authorities' performance in providing water and sanitation services	<b>Annual milestone met</b> 2019/20 MuSSA report developed
5	Enhanced regulation of the water and sanitation sector	5.1 Green Drop report on wastewater systems' compliance with regulatory requirements	<b>Annual milestone not met</b>
		5.2 Blue Drop report on water supply systems' compliance with regulatory requirements	N/A
		5.3 Timeframe for processing water use license application reduced	<b>Annual milestone met</b> 63% of water use license application finalised within regulated period
		5.4 Percentage level of compliance of water users in various sectors monitored for compliance with water use licenses	<b>Annual milestone partially met</b> 58% compliance
6	Water redistributed for transformation	6.1 Indication water availability for land reform projects	N/A
		6.2 Effective and efficient institutions established	<b>Annual milestone not met</b>
		Catchment Management Agencies	<b>Annual milestone met</b>
		Regional Water Utilities	<b>Annual milestone not met</b>
		Water User Associations	<b>Annual milestone not met</b>

## 4 PROGRAMME PERFORMANCE INFORMATION REPORT

### 4.1 Programme 1: Administration

This programme provides strategic leadership, management and support services to the Ministry and the department; for the development promotion of international relations on water resources between neighbouring countries; and communications, stakeholder management and partnerships development.

#### 4.1.1 Sub-programmes

**Ministry** provides for administrative and logistical support to the Minister and Deputy Minister and their support staff and makes provision for their salaries.

**Departmental Management** provides policy and strategic direction for water and sanitation management. This includes enterprise-wide support services comprising administrative support to the director-general, corporate planning, and monitoring and evaluation, and the provision of salaries and operational budgets for the department's regional office heads.

**Internal Audit** provides independent, objective assurance and advisory services to improve the department's operations.

**Corporate Services** Corporate Services provides enterprise-wide support comprising human resources, legal services, communications, the learning and development academy, and transformation policy and coordination.

**Financial Management** ensures the efficient management of daily financial operations, processes, and systems.

**Office Accommodation** makes payments for rental charges on all leased office space occupied by the department, and for municipal services such as electricity, water, and sewage and waste removal.

**Programme Management Unit** provides for improved coordination and governance in the management of departmental projects.

**International Water Support** strategically coordinates, promotes, and manages international relations on water and sanitation between countries through bilateral and multilateral cooperation instruments and organisations, in line with legislative provisions. This sub programme also pursues national interests in African and global multilateral organisations and forums.

### 4.1.2 Outcomes, outputs, performance indicators and targets

#### 4.1.2.1 2020/21 annual performance plan tabled in March 2020

Outcome	Output 2018/19	Output indicator 2019/20 2020/21	Audited actual performance		Planned annual target	Actual achievement by	Deviation from planned target to actual achievement	Reasons for deviations	Reasons for revisions to outputs / indicators / annual targets
			31 December 2020						
<b>Sub-programme</b>									
<b>International Water Support</b>									
1 Efficient, effective and development orientated department	1.4 Annual International Relations Programme implemented	1.4.1 Percentage implementation of 2020/21 annual international relations programme	The terms of reference were signed with a view to leverage technical support for the development of the midterm evaluation report	Annual analysis on the implementation of the approved international relations programme	80%	61%	Under by 19%	COVID-19 travel restrictions coupled with economic situation in part countries, impacted on the implementation of the annual international relations plan	With the current situation presented by the unprecedented COVID-19 pandemic, the signed Agreements and MoUs of most of the bilateral countries (i.e. Italy, Iran, Hungary and Russia) were brought to a hold due to the travel restrictions from both ends.

## 4.1.2.2 2020/21 annual performance plan adjusted in December 2020

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
<b>Departmental Management</b>								
1	1.6 Percentage compliance with corporate governance regulatory prescripts	1.6.5 Percentage compliance with approved audit plan	-	38% compliance (i.e. 8 of 21)	100%	113%	Over by 13%	<b>Target exceeded</b> Due to additional internal audit activities conducted during the financial year.
		1.6.6 Percentage compliance with the implementation of risk management plan	-	38% compliance (i.e. 8 of 21)	100%	100% (21 of 21)	N/A	<b>Target met</b>
<b>Corporate Services</b>								
1	1.5 Annual Communication, Stakeholder Management and Partnership Programme implemented	1.5.1 Percentage implementation of the 2020/2021 Annual Communications Stakeholder Management and Partnership Programme	Communication related activities implemented	133%	96%	172% (i.e. 1455 of 845)	Over by 76%	<b>Target exceeded</b> More issues arose in the environment. There was a need to communicate more to employees on programmes and events of the Department. More awareness and education programmes were done to educate people about proper ways of washing hands to curb the spread of COVID-19. The Department had to consult more with stakeholders to request support and sustain partners especially during the pandemic.

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
1 Efficient, effective and development orientated department	1.6 Percentage compliance with corporate governance regulatory prescripts	1.6.1 Percentage vacancy rate for engineers and scientists	-	112% filled (742 posts filled out of 662 permanent posts)	≤10%	An average of 120%	Over by 30%	<b>Target exceeded</b> The additional posts to the establishment emanate from the Learning Academy programme as per the OSD requirements
		1.6.2 Number of coaching and mentorship programme for levels 14, 15 and 16	-	New indicator	1 coaching mentorship programme	0	Under by 1	<b>Target not met</b> Due to the persistent Covid-19 pandemic and also upon realising that this course could not be held online the programme was not implemented.
		1.6.3 Number of safety and security assessments for facilities and installations conducted	-	New indicator	64 safety and security assessments	82	Over by 18 assessments	<b>Target exceeded</b> More assessments were conducted in response to the COVID-19 pandemic.
		1.6.4 Percentage of information technology systems availability	-	New indicator	90% information technology (IT) systems available	96%	Over by 6%	<b>Target exceeded</b> Due to the maintenance and ensuring that servers are up to date. In addition, the tap library servers were repaired and/or replaced for backup purposes, which improved the availability of storage capacity.
<b>Sub-programme</b> Financial management (Main Account)								
1 Efficient, effective and development orientated department	1.1 Targeted procurement supporting SMMEs	1.1.1 (a) Percentage of targeted procurement budget spent on qualifying small enterprises (QSE)	11%	32%	15%	8%	Under by 7%	<b>Target partially met</b> The targeted procurement for the EME group resulted in less contracts being awarded to QSE.
		1.1.2. (a) Percentage of targeted procurement budget spent on exempted micro enterprises (EME)	46%	50%	15%	37%	Over by 22%	<b>Target exceeded</b> As a result of more EMEs targeted for provision of goods and services.



Outcome	Output	Output indicator		Audited actual performance		Planned annual target	Actual achievement by	Deviation from planned target to actual achievement	Reasons for deviations
		2018/19	2019/20	2018/19	2019/20				
1 Efficient, effective and development orientated department	1.3 Percentage implementation of the departmental financial recovery and turnaround plan	1.3.1	Percentage implementation of the financial recovery and turnaround plan	-	New indicator	100%	69%	Under by 31%	<b>Target partially met</b> The lockdown restrictions limited engagements and monitoring progress of the implementation of the financial recovery and turnaround plan.
		1.3.2	Percentage expenditure on annual budget	98%	92%	100%	85%	Under by 15%	<b>Target partially met</b> The target was partially met, due to the vacant posts within programmes across all the sub-programmes. The lockdown has also impacted the implementation of the water services infrastructure projects and hence the under expenditure on planned projects.
<b>Sub-programme</b> Financial Management (Water Trading)									
1 Efficient, effective and development orientated department	1.1 Targeted procurement supporting SMMEs	1.1.1 (b)	Percentage of targeted procurement budget spent on qualifying small enterprises (QSE)	38%	17%	15%	9%	Under by 6%	<b>Target partially met</b> The targeted procurement for the EME group resulted in less contracts being awarded to QSEs
		1.1.2 (b)	Percentage of targeted procurement budget spent on exempted micro enterprises (EME)	43.42%	34%	15%	43%	Over by 28%	<b>Target exceeded</b> Due to the implementation and enforcement of the Preferential Procurement Regulation of 2017 which placed an emphasis on the procurement from the designated groups which falls under the EME group.

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
	1.3 Percentage implementation of the departmental financial recovery and turnaround plan	1.3.3 Number of debtor days	191 days	207 days	120 days	31 March 2021 227 days	Over by 107 days	<b>Target not met</b> Mainly due to the persistent problem of Municipalities and Water Boards not settling their debts, this is despite the interventions by the legal services
<b>Sub-programme International Water Support</b>								
1 Efficient, effective and development orientated department	1.4 Annual International Relations Programme implemented	1.4.1 Percentage implementation of 2020/21 annual international relations programme	The terms of reference were signed with a view to leverage technical support for the development of the midterm evaluation report	Annual analysis on the implementation of the approved international relations programme	75%	67% (95/141)	Under by 8%	<b>Target partially met</b> With the current situation presented by the unprecedented COVID-19 pandemic, the signed agreement and MOUs of the bilateral countries were brought to halt, due to travel restrictions from both sides.

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

**Number of coaching and mentorship programme for levels 14, 15 and 16** – This indicator has been revised to reflect training interventions across the Department instead of focussing on the senior management service.

**Percentage of targeted budget spent on qualifying small enterprises (Main Account and Water Trading)** – Improve the targeting of QSEs during the 2021/22 financial year.

**Percentage implementation of the financial recovery and turnaround plan** – The implementation of the financial recovery plan will be strengthened through constant engagements with relevant branches and associated finance managers.

**Percentage expenditure on annual budget** - The Department will continue to monitor and report on the expenditure to ensure that underperforming areas are identified and mitigating measures are implemented early in the financial year. The recommendations of the monthly In-Year Monitoring report by the National Treasury are to be followed up and promptly implemented by the Department i.e. fast-tracking the implementation of projects, ensure certification and payment of invoices within 30 days of receipt and filling of all critical vacant posts within the Department.

**Number of debtor days** - The Cooperative Governance & Traditional Affairs (COGTA)/ SALGA/ DWS/ National Treasury (NT) Task Team Committee engagements continuing, and the WTE's debt management systems are being developed to allow for constant, timeous communication with customers.

**Percentage implementation of 2020/21 annual international relations programme** – the activities that were not undertaken in the year under review have been deferred to the 2021/22 financial year.

#### 4.1.3 Sub-programme expenditure

Sub-programme name	2019/20			2020/21		
	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
Ministry	54 148	41 781	12 367	48 931	43 772	5 159
Departmental Management	96 783	94 147	2 636	119 507	111 354	8 153
Internal Audit	28 322	27 700	622	31 297	27 038	4 259
Corporate Services	696 576	670 029	26 547	685 801	636 416	49 385
Financial Management	254 161	243 056	11 105	240 464	215 796	24 668
Office Accommodation	457 066	457 066	-	503 228	503 228	-
Programme Management Unit	54 674	44 226	10 448	42 367	42 367	-
International Water Support	49 242	46 046	3 196	41 511	38 585	2 926
<b>Total</b>	<b>1 690 972</b>	<b>1 624 051</b>	<b>66 921</b>	<b>1 713 106</b>	<b>1 618 556</b>	<b>94 550</b>

## 4.2 Programme 2: Water Planning and Information Management

The programme is responsible to ensure that the country's Water resources are protected, used, developed, conserved managed and controlled in a sustainable manner for the benefit of all people and the environment by developing a knowledge base and implementing effective policies, procedures and integrated planning strategies for Water resources and Water and sanitation services.

### 4.2.1 Sub-programmes

**Water Planning, Information Management and Support** provides strategic leadership and overall management to the programme.

**Integrated Planning** develops comprehensive plans that guide infrastructure development, systems and services management in the water sector.

**Water Ecosystems** develops and implements measures to protect water resources. This entails determining measures to manage water resources by classifying water resource systems, determining reserves, conducting resource quality assessments, and developing guidelines and protocols for pollution control and rehabilitation.

**Water Information Management** ensures the development and maintenance of systems and programmes for the acquisition and management of data and information and builds the knowledge base on all aspects of water for informed decisions on water management.

**Water Services and Local Water Management** entails the formulation and development of strategies, guidelines and plans for water services and management at local level.

**Sanitation Planning and Management** provides a national strategy for the planning of sanitation services and supports municipalities to plan for the provision of sustainable sanitation services.

**Policy and Strategy** develops, monitors, and reviews the implementation of the water and sanitation sector policies and strategies.

## 4.2.2 Outcomes, outputs, performance indicators and targets

## 4.2.2.1 2020/21 annual performance plan tabled in March 2020

Output	Output indicator	Audited actual performance	Planned annual target			Actual achievement by 30 June 2020	Deviation from planned target to actual achievement	Reasons for deviations	Reasons for revisions to outputs / indicators / annual targets
			2018/19	2019/20	2020/21				
Sub-programme Water Information Management									
2	Ecological infrastructure protected and restored	2.2	Number of rivers in which the river eco-status monitoring programme is implemented	71	76	83	35	Under by 48	Managed to implement the first quarter and funds were reprioritised due to COVID-19.
		2.2.1	Number of rivers in which the River Eco-status Monitoring Programme is implemented						Funds were reprioritised due to COVID-19

## 4.2.2.2 2020/21 annual performance plan re-tabled in July 2020

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by	Deviation from planned target to actual achievement	Reasons for deviations	Reasons for revisions to outputs / indicators / annual targets			
			2018/19	2019/20						2020/21	31 December 2020	
<b>Sub-programme Integrated Planning</b>												
3	Water demand reduced and water supply increased	3.2	Integrated water resource plans / measures developed	3.2.1	National Water and Sanitation Master Plan (NWSMP) updated	Water and Sanitation Master Plan (NWSMP) developed	Updated National Water and Sanitation Master Plan	Annual update of the Water and Sanitation Master Plan (NWSMP)	Collation of inputs from operationalisation of the NWSMP to update the NWSMP	Annual update of the Water and Sanitation Master Plan (NWSMP)	N/A	The planned milestone for quarters 3 and 4 of PPI 3.2.1 were changed due to the Phakisa that was put on hold because of COVID-19 regulations regarding social gatherings.
<b>Sub-programme Water Services and Local Water Management</b>												
4	Water and sanitation services managed effectively	4.1	5 RID and 41 feasibility studies for bulk water supply and sanitation services infrastructure project plans completed by 2025	4.1.2	Number of feasibility studies for water and wastewater services projects (RBI(G) completed	0	4	8	0	Under by 8	The approval for the procurement of a professional service provider had not been obtained	the annual targets were reduced from 8 completed feasibility studies (FSs) and Implementation Readiness Studies (IRSs) to 6 Inception reports due to budget prioritisation and the impact of COVID-19; and thus, the adjustment affected the planned milestone for quarter 3 and quarter 4.
		4.1.3		Number of implementation readiness studies for water and wastewater services projects (RBI(G) completed	1	3	8	8	0	Under by 8		

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 December 2020	Deviation from planned target to actual achievement	Reasons for deviations	Reasons for revisions to outputs / indicators / annual targets
			2018/19	2019/20					
4.2	Water and sanitation regulatory prescripts developed	4.2.3 National Sanitation Integrated Plan	-	Conceptual framework for National Sanitation Integrated Plan	Draft National Sanitation Integrated Plan	Provincial sanitation situational analysis reports for Mpumalanga, Gauteng, Free State and Western Cape provinces completed	Under by the draft National Sanitation Integrated Plan	The approval for the procurement of a professional service provider had not been obtained	The annual target as well as quarters 3 and quarter 4 milestones were changed; due to the lapse of the tender validity period to appoint the Professional Service Provider, thus the draft provincial sanitation situational analysis reports will be developed in-house.
		4.2.5 Number of district municipalities (DMs) with completed 5-year water and sanitation reliability implementation plans	3 priority DMs	Development of structure documentation	10 priority DMs	0	Under by 10	The approval for the procurement of a professional service provider had not been obtained	The annual target as well as quarters 3 and quarter 4 milestones were changed; from the development of the 5-year Water and Sanitation reliability implementation plans for 10 priority District Municipalities to the Roll out of the 5-year Water and Sanitation reliability implementation plans for 10 priority District Municipalities. This was because of the impacts of COVID-19 that resulted in delays for procurement processes to be concluded on time.



## 4.2.2.3 2020/21 annual performance plan adjusted in December 2020

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 March 2021	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
3 Water demand reduced and water supply increased	3.2 Integrated water resource plans / measures developed	National Water and Sanitation master plan (NWSMP) updated  3.2.1 Number of reconciliation strategies completed for various systems (WSS)  3.2.2 Number of operating rules and specialist strategy studies completed annually for various water supply systems  3.2.3 Number of updates climate change for Risk and Vulnerability Assessments completed annually for various water supply systems  3.2.4	Water and Sanitation Master Plan (NWSMP) developed	Updated National Water and Sanitation Master Plan	Annual update of the Water and Sanitation Master Plan (NWSMP)	Updated National Water and Sanitation Master Plan (NWSMP)	N/A	<b>Target met</b>
			-	1	2	2	N/A	<b>Target met</b>
			-	6	6	7		<b>Target exceeded</b>
			-	Algoa WSS	Algoa WSS	Algoa WSS		
			-	Amathole WSS	Amathole WSS	Amathole WSS	Amathole WSS: replaced by Bloemfontein WSS	Amathole WSS: replaced by Bloemfontein WSS
			-	-	-	Bloemfontein WSS	Bloemfontein WSS: replaced the Amathole WSS	Bloemfontein WSS: replaced the Amathole WSS
			-	-	Crocodile West WSS	Crocodile West WSS		
			-	Polokwane WSS	Polokwane WSS	Polokwane WSS		
			-	Umgeni WSS	Umgeni WSS	Orange WSS	Orange WSS: Recovery from the 2019/20 financial year	Orange WSS: Recovery from the 2019/20 financial year
			-	Vaal WSS	Vaal WSS	Umgeni WSS	Umgeni WSS	
		Western Cape WSS						
		2	2	2	2	N/A	<b>Target met</b>	
		Mzimvubu-Tsitsikama WMA (Fish-Tsitsikama & Mzimvubu-Keiskamma catchments)	Orange WMA	Orange WMA	Orange WMA			
		Vaal System	Limpopo Olifants and Inkomati Usuthu WMA	Limpopo Olifants and Inkomati Usuthu WMA	Limpopo Olifants and Inkomati Usuthu WMA			

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 March 2021	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
<b>Sub-programme Water Ecosystems</b>								
2 Ecological infrastructure protected and restored	2.1 6 water resource classes and resource quality objectives (RQOs) by 2025	2.1.1 Number of river systems with water resources classes and determined resource quality objectives	0		0	0	N/A	<b>Target exceeded</b>
			Draft submission prepared (Breede) Draft submission prepared (Mzimvubu) Liaising with SCM to source quotations for publishing final legal notice (Crocodile-West & Marico)	Draft report for Water Resource Classes (Thukela)	Final Water Resource Classes report finalised (Thukela)	Final report was achieved instead of draft as per the plan	Stakeholder comments on the draft Scenarios and Classes Report were received and addressed well on time, no further re-run of models needed to be done as it is usually the case with scenarios evaluation, the report was therefore finalised ahead of time	
<b>Sub-programme Water Information Management</b>								
3 Water demand reduced and water supply increased	3.3 7 water resource monitoring programmes and 6 information systems reviewed and maintained by 2025	3.3.1 Number of water resources monitoring programmes reviewed and maintained	-	• 3 water resources monitoring programmes reviewed and maintained	4 programmes	4 programmes	N/A	<b>Target met</b>
				6 water information systems maintained	• Ground Water • Surface Water • NCMP • NEMP	• Ground Water • Surface Water • NCMP • NEMP		
	3.3.2 Number of water and sanitation information systems maintained		6 water information systems maintained	6 systems	6 systems	N/A	<b>Target met</b>	
			• NIWIS • HYDSTRA • NGIS • WMS • GIS • FMFS	• NIWIS • HYDSTRA • NGIS • WMS • GIS • FMFS				
3.4 Gauging stations refurbished to improve	3.4.1 Number of existing gauging stations refurbished	0	-	1	1	N/A	<b>Target met</b>	
				New indicator	Liverpool gauging	Liverpool gauging		

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 March 2021	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
2	Ecological infrastructure protected and restored	2.2 Number of rivers in which the river eco-status monitoring programme is implemented	2.2.1 Number of rivers in which the River Eco-status Monitoring Programme is implemented	71	76	59	77	Over by 18 <b>Target exceeded</b>
<b>Sub-programme Water Services and Local Water Management</b>								
3	Water demand reduced and water supply increased	3.5 8 large water supply systems assessed for water losses by 2025	3.5.1 Number of large water supply systems assessed for water losses	8	Water balance data and information collected from municipalities within the 8 large water supply systems	Water balance data and information collected from municipalities within	N/A	<b>Target met</b>
				<ul style="list-style-type: none"> <li>• Algoa</li> <li>• Amatole</li> <li>• Crocodile West River</li> <li>• Greater Bloemfontein</li> <li>• Integrated Vaal</li> <li>• Olifants River</li> <li>• Umgeni River</li> <li>• Western Cape</li> </ul>	<ul style="list-style-type: none"> <li>• Algoa</li> <li>• Amatole</li> <li>• Crocodile West River</li> <li>• Greater Bloemfontein</li> <li>• Integrated Vaal</li> <li>• Olifants River</li> <li>• Umgeni River</li> <li>• Western Cape</li> </ul>	<ul style="list-style-type: none"> <li>• Algoa</li> <li>• Amatole</li> <li>• Crocodile West River</li> <li>• Greater Bloemfontein</li> <li>• Integrated Vaal</li> <li>• Olifants River</li> <li>• Umgeni River</li> <li>• Western Cape</li> </ul>		

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 March 2021	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
4 Water and sanitation services managed effectively	4.1 5 RID and 41 feasibility studies for bulk water supply and sanitation services infrastructure project plans completed by 2025	4.1.1 Number of completed Record of Implementations (RID) for bulk raw water planning projects	-	-	0 Annual status report on progress (Xhariep Pipeline)	0 Annual status report on progress for Xhariep pipeline	N/A	<b>Target met</b>
		4.1.2 Number of feasibility studies for water and wastewater services projects (RBIG) completed	0	4	6 inception reports for feasibility studies <ul style="list-style-type: none"> <li>Kinira Dam</li> <li>Ntabankulu Regional Bulk Water Supply</li> <li>Gamagara</li> <li>Steynsrus BWS</li> <li>Masilonyana</li> <li>Northern Nsikazi Bulk Water Supply Phase 2</li> </ul>	0 inception reports for feasibility studies Tender requests awaiting approval to advertise bids for the appointment of PSPs	Under by 6 inception reports	<b>Target not met</b> Term contract expired due to late approval of contract extension. The procurement process for new contracts was delayed by the several issues which were raised such as costing of each project being quantified, Implementing Agent fee needed to be quantified and recalculated as well as consideration of ECSCA court case on the fees
		4.1.3 Number of implementation readiness studies for water and wastewater services projects (RBIG) completed	1	3	6 inception reports for implementation readiness studies <ul style="list-style-type: none"> <li>Kinira Regional Bulk Water Supply</li> <li>Steynsrus Raw Water Supply</li> <li>Northern Nsikazi Bulk Water Supply Phase 2</li> <li>Ntabankulu Bulk Water Supply</li> <li>Masilonyana</li> <li>Gamagara</li> </ul>	0 inception reports for implementation readiness studies Tender requests awaiting approval to advertise bids for the appointment of PSPs	Under by 6 inception reports	

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 March 2021	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
4 Water and sanitation services managed effectively	4.2 Water and sanitation regulatory prescripts developed	4.2.5 Number of district municipalities (DMs) with completed 5-year reliable water and sanitation services delivery implementation plans	3 priority DMs	Development of structure of documentation	0	0	Situation Assessment Report for Five Year Reliability Implementation plan programme in 10 DMs not completed	<b>Target not met</b> Delays due Government Printers experiencing challenges with the Tender Bulletin System and the Department was unable to advertise bids for the appointment of PSPs
		4.2.6 Annual MuSSA reports on water services authorities' performance in providing water and sanitation services	58 MuSSAs finalised	108 MuSSAs finalised	1 national report on Municipal Strategic Self-Assessments (MuSSA) within the WSAs, metros and secondary cities	1 national report on Municipal Strategic Self-Assessments (MuSSA) within the WSAs, metros and secondary cities produced	N/A	<b>Target met</b>
<b>Sub-programme Sanitation Planning and Management</b>								
4 Water and sanitation services managed effectively	4.2 Water and sanitation regulatory prescripts developed	4.2.3 National Sanitation Integrated Plan	-	Conceptual Framework for National Sanitation Integrated Plan	National Sanitation Situational Analysis Report finalised	National Sanitation Situational Analysis Report finalised	N/A	<b>Target met</b>
		4.2.4 National Faecal Sludge Management Strategy for on-site sanitation developed	-	New indicator	Conceptual Framework for National Faecal Sludge Management Strategy for on-site sanitation developed	Conceptual Framework for National Faecal Sludge Management Strategy for on-site sanitation developed	N/A	<b>Target met</b>

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
4 Water and sanitation services managed effectively	4.2 Water and sanitation regulatory prescripts developed	4.2.1 National Water and Sanitation Bill developed	-	Internal stakeholder consultation on the Draft Bill	Draft Bill submitted to Cabinet for approval	Approval granted to deviate from the development of one Water and Sanitation Bill to the amendment of the two existing Acts for implementation in the next financial 2021/22 as outlined in the new APP.	Draft Bill not submitted to Cabinet for approval	<b>Target not met</b> The scope change resulted in the Bill not presented being to Cabinet thus the approval to table the Bill in Parliament could not be requested.
			4.2.2 Approved National Water Resources Strategy Edition 3 (NWRS-3)	Draft version 2.2. of the Resources Strategy Edition 3 (NWRS-3)	National Water Resources Strategy Edition 3 (NWRS-3)	Draft NWRS-3 and supporting documents were submitted to Cabinet secretariat for tabling for approval to gazette for public consultation.	Cabinet has not yet approved the NWRS-3	<b>Target not met</b> Due to lock down because of COVID-19 pandemic, there have been delays in the Cabinet processes.



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

**Number of implementation readiness studies for water and wastewater services projects (RBIG) completed** - The procurement matters that were raised have been addressed with tender requests awaiting approval. The work will therefore be implemented during the 2021/22 financial year.

**Number of feasibility studies for water and wastewater services projects (RBIG) completed** - The procurement matters that were raised have been addressed with tender requests awaiting approval. The work will therefore be implemented during the 2021/22 financial year.

**Number of district municipalities (DMs) with completed 5-year reliable water and sanitation services delivery implementation plans**- The Department is continuously following-up with Government Printers on the advertisement of the remaining bids for the appointment of PSPs. The work will therefore be implemented during the 2021/22 financial year.

**National Water and Sanitation Bill developed** – The scope has been changed to amend the existing National Water Act and Water Services Act focusing on key priority issues that require immediate implementation. The move towards the amendment of these legislations will result in a speedy and effective way of addressing the most pertinent gaps and legislative challenges and especially on the reform on the equitable allocation of water amongst others. The entire review of the two Acts will be realised at the later stage to fully incorporate policies approved by Cabinet (e.g. National Water Policy Review, 2013).

**Approved National Water Resources Strategy Edition 3 (NWRS-3)** - will be gazetted for public consultation upon Cabinet approval. These will enable the public to make inputs on the issues regarding the management of water resources and this process is expected to be completed by September 2021.

#### 4.2.3 Sub-programme expenditure

Sub-programme name	2019/20			2020/21		
	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
Water Planning, Information Management and Support	6 911	6 197	714	7 202	6 091	1 111
Integrated Planning	81 046	75 394	5 652	63 846	62 144	1 702
Water Ecosystems	38 507	35 513	2 994	39 751	38 907	844
Water Information Management	588 069	540 668	47 401	526 454	448 198	78 256
Water Services and Local Water Management	92 145	72 544	19 601	66 851	49 369	17 482
Sanitation Planning and Management	12 658	9 615	3 043	12 862	8 811	4 051
Policy and Strategy	15 928	13 622	2 306	14 468	13 814	654
<b>Total</b>	<b>835 264</b>	<b>753 553</b>	<b>81 711</b>	<b>731 434</b>	<b>627 334</b>	<b>104 100</b>

### 4.3 Programme 3: Water Infrastructure Development

The programme is responsible to develop, rehabilitate and refurbish raw water resources and water and sanitation services infrastructure to meet the socio-economic and environmental needs of South Africa.

#### 4.3.1 Sub-programmes

**Strategic Infrastructure Development and Management** provides for the design, construction, commissioning, and management of new and existing water resource infrastructure.

**Operations of Water Resources** funds expenditure on activities for water resources management conducted by the department or catchment management agencies within water management areas.

**Regional Bulk Infrastructure Grant** provides for the development of new infrastructure, and the refurbishment, upgrading and replacing of ageing infrastructure servicing extensive areas across municipal boundaries.

**Water Services Infrastructure Grant** provides for the construction of new infrastructure and the rehabilitation of existing water and sanitation infrastructure through the grant transfer of water services schemes to water service institutions. The allocation prioritises the 27 poorest district municipalities.

**Accelerated Community Infrastructure Programme** provides for rapid emergency interventions related to the refurbishment of infrastructure for wastewater treatment, water conservation and water demand management, and municipal water supply; and supports farmers without proper access to resources.

4.3.2 Outcomes, outputs, performance indicators and targets

4.3.2.1 2020/21 annual performance plan tabled in March 2020

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by	Deviation from planned target to actual achievement	Reasons for deviations	Reasons for revisions to outputs / indicators / annual targets	
			2018/19	2019/20						2020/21
<b>Sub-programme Regional Bulk Infrastructure Grant</b>										
3	Water demand reduced and water supply increased	3.7 Regional bulk infrastructure project phases implemented	3.7.1.1	16	9	10	8	Under 2	Managed to implement the first quarter and funds were reprioritised due to COVID-19.	Funds were reprioritised to support to COVID-19 intervention projects
			3.7.1.2	46	55	60	35	Under 35		
			3.7.2.2	14	6	13	0	Under by 13		
			3.7.1.3	24	27	33	21	Under by 12		
<b>Sub-programme Water Services Infrastructure Grant</b>										
3	Water demand reduced and water supply increased	3.8 Water services infrastructure grant projects implemented	3.8.1	181	263	349	248	Under by 101	Managed to implement the first quarter and funds were reprioritised due to COVID-19.	Funds were reprioritised to support to COVID-19 intervention projects
			3.8.2	0	117	102	4	Under by 98		

## 4.3.2.2 2020/21 annual performance plan re-tabled in July 2020

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 December 2020	Deviation from planned target to actual achievement	Reasons for deviations	Reasons for revisions to outputs / indicators / annual targets
			2018/19	2019/20					
3	Water demand reduced and water supply increased	Strategic Infrastructure Development and Management	0	0	4	0	Under by 4	See details below	The annual target has been revised from 4 to 3, due to the purchase line (Dam Boundary) for Nwamitwa Project which was not signed off by the engineers and that resulted to the termination of Lepelle Northern Water as an Implementing Agent.
	3.6 Strategic water resources infrastructure implemented	3.6.1 Number of bulk raw water projects ready for implementation	-	-	Mokolo Crocodile (West) Water Augmentation Project - Phase 2A	Design 67% complete Finalised: DWS response on the GTI The Geotechnical studies investigations are completed		<ul style="list-style-type: none"> <li>Delayed appointment of the engineering panel of experts for the independent review of the tender design documents</li> <li>Delay in the approval of the procurement</li> </ul>	
					<b>Engineering</b>				
					<b>Procurement</b>	The procurement of a Geohydrology Specialist on the Abstraction Weir has been completed and the specialist has started with field studies. The Procurement Strategy for Construction Contracts was approved by TCTA EXCO.			



Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 December 2020	Deviation from planned target to actual achievement	Reasons for deviations	Reasons for revisions to outputs / indicators / annual targets
			2018/19	2019/20					
					2020/21	The borrow pit application was submitted to the Department of Mineral Resources and Energy. TCTA is in the process of sourcing the borrow pit rehabilitation bond that is required as part of the application process. The baseline studies for the Heritage, Palaeontology and Fishway Assessments were completed. Tenders were issued for the Climate Change, Visual Impact and Roads and Traffic studies.			



Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 December 2020	Deviation from planned target to actual achievement	Reasons for deviations	Reasons for revisions to outputs / indicators / annual targets
			2018/19	2019/20					
					2020/21	The land acquisition process commenced with the procurement of the valuers to undertake valuation on the affected properties and the serving of notification letters to the affected landowners.			
			-	-	Nwamitwa Dam	Engaged with LINW to request		No quarterly milestone	
			-	-	ORWRDP 2D	the submission of the signed off dam boundary line drawings.		No quarterly milestone	
					<b>Engineering</b>	The design work to take the design to tender stage is complete			

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 December 2020	Deviation from planned target to actual achievement	Reasons for deviations	Reasons for revisions to outputs / indicators / annual targets
			2018/19	2019/20					
					2020/21	The Design Criteria Memorandum and the Design Report were finalised			
						<b>Procurement</b> A submission to appoint the PSP for Social Impact Management who will appoint the RAP Specialist was submitted to IDBAC and feedback was received from IDBAC.			
						<b>Social</b> The Memorandum of Understanding (MOU) was approved The PSP was requested to assist DWS with the signing of the MOU by other stakeholders.			
			-	-	Lusikisiki Regional Water Supply Scheme: Zalu Dam			Limited staff access to the workplace due to COVID-19 restrictions	

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 December 2020	Deviation from planned target to actual achievement	Reasons for deviations	Reasons for revisions to outputs / indicators / annual targets
			2018/19	2019/20					
					<b>Engineering</b>	The dam type selection report was accepted and an addendum to the RID was issued <ul style="list-style-type: none"> <li>• CADAM analysis of the outlet works completed.</li> <li>• Concrete NOC design report amended following review.</li> <li>• Embankment design and river diversion design in progress.</li> </ul>	Spillway stability calculations, report and CADAM Analysis completed.		
					<b>Procurement</b>	<ul style="list-style-type: none"> <li>• Final review of geotechnical investigation TORs undertaken</li> <li>• The TORs for the appointment of the ECO are 50% complete.</li> </ul>			
					<b>Environmental</b>	The application for extension of the Environmental Authorisation is in progress.			

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 December 2020	Deviation from planned target to actual achievement	Reasons for deviations	Reasons for revisions to outputs / indicators / annual targets
			2018/19	2019/20					
		3.6.2	0	1	4	1	Under by 3	See details below	The quarters 3 & 4 milestones were changed; due to delays incurred in the finalisation of the appointment of service providers. Furthermore, that affected the project performance target of the following:
		Number of bulk raw water projects under construction	-	-	Tzaneen Dam	No quarterly milestone	-	-	
			-	-	Clanwilliam Dam	Construction progress at 12% completion	Under by construction progress of 3%	Delays in the procurement of construction materials and specialist services	<ul style="list-style-type: none"> <li>• Tzaneen,</li> <li>• Clanwilliam</li> <li>• Hazelmere Dams and</li> <li>• Mzimvubu Water Project [Ntabelanga Dam and Advanced Infrastructure]</li> </ul>

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 December 2020	Deviation from planned target to actual achievement	Reasons for deviations	Reasons for revisions to outputs / indicators / annual targets
			2018/19	2019/20					
			-	-	Hazelmere Dam	The evaluation of the price bill of quantities for the completion of the outstanding works is completed however, the tender price exceeded the deviation amount approved by National Treasury		Delay in the appointment of the contractor for the completion of the project	
			-	-	Mzimvubu Ntabelanga Dam	0 Ongoing arrangements for funding	See details below	See details below	
					Advance Infrastructure	Appointment of ECO	Under by OHS appointment	No concurrence on the funding model for all stages of the project. Tender briefing and evaluation were done for the permanent OHS agent, the bidder's estimate exceeded the budgeted amount	

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 December 2020	Deviation from planned target to actual achievement	Reasons for deviations	Reasons for revisions to outputs / indicators / annual targets			
			2018/19	2019/20								
		3.6.3	0	0	1	0	Under by 1	Hazelmere Dam: Delay in the appointment of the contractor for the completion of the project	The annual target was changed from 1 to 0 due to delays incurred in the finalisation of the appointment of service providers.			
		3.6.3.1	125	148	150	73	Under by 77	The projects were on hold due to COVID-19 lockdown	The annual target was changed from 150 to 50 due to delays incurred in the finalisation of the appointment of service providers.			
<b>Sub-programme</b>												
<b>Regional Bulk Infrastructure Grant</b>												
3	Water demand reduced and water supply increased	3.7	Regional bulk infrastructure project phases implemented	3.7.1.2	Number of large regional bulk infrastructure project phases under construction	46	55	63	64	Over by 1	The project was started earlier than anticipated	The annual target was changed from 63 to 62 due to the budget; that was utilised toward COVID-19 pandemic interventions



Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 December 2020	Deviation from planned target to actual achievement	Reasons for deviations	Reasons for revisions to outputs / indicators / annual targets		
			2018/19	2019/20							
		3.7.1.3	24	27	37	29	Under by 8	Delays in contractor appointments by implementing agents	The annual target was increased from 37 to 38 also the quarter 4 milestone this was as a result that there will be a project in Western Cape that commences in September 2020 and it will be completed in March 2021		
		3.7.2.3	9	7	15	5	Under by 10	<ul style="list-style-type: none"> <li>Delays in contractor appointments by implementing agents</li> <li>Delays due to delayed material delivery</li> </ul>	The annual target was changed from 15 to 14 due to the budget; that was utilised toward COVID-19 pandemic interventions		
<b>Sub-programme Water Services Infrastructure Grant</b>											
3	Water demand reduced and water supply increased	3.8	Water services infrastructure grant projects implemented	3.8.1	181	263	349	184	Under by 165	Procurement delays by WSAs	The annual target was changed from 326 to 347 due to the budget; that was utilised toward COVID-19 pandemic interventions
				3.8.3 (a)	0	0	432	0	Under by 432	Delayed construction to implement COVID-19 projects	This is a new target to monitor the intervention for COVID-19.

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 December 2020	Deviation from planned target to actual achievement	Reasons for deviations	Reasons for revisions to outputs / indicators / annual targets
			2018/19	2019/20					
3 Water demand reduced and water supply increased	3.9 National asset management plan (NAMP) with unscheduled maintenance kept at ≤20% by 2024	Percentage of projects completed as per maintenance plan (planned maintenance)	46%	39%	80%	24%	Under by 56% (668 of 1203 projects)	Lack of term contract for implementation of the maintenance plan.	The annual target was reduced from 80% to 50%. The delay in finalising the maintenance term contract was due to irregularities that were identified causing the process to be terminated. A new process is underway, and an approval was granted on 03 August 2020 for the procurement of term contract
			267 of 579 projects	428 of 1105 projects	≤20%	294 of 1203 projects	N/A		The annual target was increased from ≤20% to ≤30%. The delay in finalising the maintenance term contract was due to irregularities that were identified causing the process to be terminated. A new process is underway, and an approval was granted on 03 August 2020 for the procurement of term contract.
		3.9.1							
		3.9.2	27%	25%		20%	N/A		
			153 of 579 projects	285 of 1105 projects					

Outcome	Output	Output indicator	Audited actual performance		Planned annual target 2020/21	Actual achievement by 31 December 2020	Deviation from planned target to actual achievement	Reasons for deviations	Reasons for revisions to outputs / indicators / annual targets
			2018/19	2019/20					
	3.10	Adherence to water supply agreements / authorisations and operating rules (water resource operations)							
		3.10.2	Number of dam safety evaluated	0	30	0	Under by 30	No quarterly milestone	The annual target was reduced from 30 to 25 due to COVID-19 pandemic, as contractors were not able to work at levels 5 and 4
		3.10.3	Number of dam safety rehabilitation projects completed	0	2	0	Under by 2	No quarterly milestone	the quarters 3 and quarter 4 milestones were changed due to COVID-19 pandemic, as contractors were not able to work at levels 5 and 4; and that has affected the following dams: Bloemhof and Kwaggaskloof. Hence the work that was supposed to be implemented in quarter 3 will be carried over to quarter 4
		3.10.4	Number of kilometres of conveyance systems rehabilitated per annum	3,4km	2,5km	0,0018km	Under by 2,4982km	COVID-19 regulations that resulted in site closures	The quarters 3 and 4 milestones were changed; due to COVID-19 pandemic, as contractors were not able to work at levels 5 and 4

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 December 2020	Deviation from planned target to actual achievement	Reasons for deviations	Reasons for revisions to outputs / indicators / annual targets
			2018/19	2019/20					
		3.10.5	133	395	150	251	Over by 100	Increased intake of personnel to catch-up with projects construction when COVID-19 regulations were relaxed.	the quarters 3 and 4 milestones were changed; due to COVID-19 pandemic, as contractors were not able to work at levels 5 and 4 and further job opportunities could not be created
		Number of job opportunities created through implementations of water resources infrastructure projects							

## 4.3.2.3 2020/21 annual performance plan adjusted in December 2020

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
3	Water demand reduced and water supply increased	Strategic Infrastructure Development and Management	0	0	3	See details below	See details below	Target partially met
	Strategic water resources infrastructure implemented	3.6.1	-	<ul style="list-style-type: none"> <li>Tender for the Health and Safety Agent evaluated.</li> <li>The topographic survey is complete.</li> <li>The geotechnical investigations</li> </ul>	Crocodile (West) Water Augmentation Project – Phase 2A	<p><b>Engineering:</b> The design and procurement documents are 99% complete.</p> <p><b>Procurement:</b> Pre-qualification documents to the Bid Specification Committee (BSC), aligned to the Procurement Strategy for Construction Contracts (approved by EXCO in November 2020) will be submitted to the BSC for approval.</p>	Under by tender design, which is an input into the project tender, by a period of 5 months.	Milestone partially met COVID-19 impacted on the finalisation of the tender design
							Under by pre-qualification documents	Milestone partially met  Pre-qualification documents to be submitted to the Bid Specification Committee (BSC) by end of April 2021.

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
					2020/21	31 March 2021		
						<p><b>Environmental:</b></p> <p>The first stage of the River Management System is complete. The Scoping Report was work-shopped with the DWS.</p> <p>The borrow pit application was submitted to the Department of Mineral Resources and Energy. TCTA is in the process of sourcing the borrow pit rehabilitation bond that is required as part of the application process.</p> <p>Baseline studies are still in progress.</p>		



Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 March 2021	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
					2020/21	The valuers have been appointed. Notification letters have been issued to more than 2/3 of the affected landowners. See details below		Milestone partially met
					ORWRDP 2D	See details below	See details below	Milestone partially met
						<b>Engineering:</b> The design work to take the design to tender stage is complete and the work packages have been prepared.	Valuer not appointed	Milestone partially met
						<b>Procurement:</b> Submission to appoint PSP for Social Impact Management who will appoint the RAP Specialist was recommended by the IDBAC.	Under by PSP appointment	Milestone partially met

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
					2020/21	31 March 2021	<p>Social Impact Management VO not yet approved</p> <p>Service Level Agreement between the DWS and Office of Valuer General not yet signed.</p>	<p><b>Milestone not met</b></p> <p>Lebalelo Water Users Association (LWUA) made a proposal on the re-sequencing of the implementation of the sub-phases and deferral of sub-phase 2D. This proposal needs to be evaluated &amp; management needs to take a decision on the way forward.</p>
						<p>The MOU for access to communal land has been signed-off by all stakeholders and needs to be routed to DWS DG for co-signing.</p> <p>A database was prepared with the contact details and location of each affected households on the proposed servitude.</p> <p>Approved request for the Office of the Valuer-General to appoint of a valuer. The process of having the Service Level Agreement between the DWS and Office of valuer General is underway.</p>		

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 March 2021	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
					Lusikisiki Regional Water Supply Scheme: Zalu Dam	See details below <b>Engineering:</b> <ul style="list-style-type: none"> <li>• Tender design 20% complete.</li> <li>• Spillway design in progress: 25% completed.</li> <li>• Outlet Works is 37% completed.</li> <li>• Downstream structures are 2% completed.</li> <li>• Concrete NOC design in progress: 26% completed</li> <li>• Embankment design in progress: 7% completed</li> <li>• River diversion design in progress: 6% completed.</li> </ul>	See details below	<p><b>Milestone partially met</b></p> <p><b>Milestone partially met</b></p>

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
					2020/21	<ul style="list-style-type: none"> <li>Design on pipeline route selection in progress: 15% complete with preliminary designs. Hydraulic design</li> </ul>		
						<p><b>Procurement:</b></p> <ul style="list-style-type: none"> <li>Geotechnical investigation TORs submitted to SCM.</li> <li>The TORs for the appointment of the ECO are 50% complete.</li> </ul> <p><b>Environmental:</b></p> <p>The application for extension of the Environmental Authorisation has been submitted.</p>		
			0	1	4	1		
		3.6.2 Number of bulk raw water projects under construction						
							Under by 3	Target not achieved

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
			-	-	Tzaneen Dam	DBSA has submitted a draft IPIP to the department for review as per the approval to engage them to be the Implementing Agent for the Raising of Tzaneen Dam. The submitted IPIP from DBSA is under internal review by DWS	The non-submission of the final signed-off design reports by LNW	<b>Milestone not met</b> Procurement delays experienced with an alternative procurement model being investigated. The DBSA was subsequently requested to submit an Infrastructure Programme Implementation Plan (IPIP) for the project
			-	Clanwilliam Dam	Clanwilliam Dam	Construction progress at 12% completion	Under by construction progress of 3%	<b>Milestone partially met</b>
			-	-	Hazelmere Dam	See details below Procurement: The request to increase the deviation amount per the priced Bill of Quantities is awaiting approval. The draft SLA for the contractor is completed and is awaiting finalisation of the contractor's appointment.	See details below	<b>Milestone not met</b> Procurement delays experienced with an alternative procurement model being investigated. The DBSA was subsequently requested to submit an Infrastructure Programme Implementation Plan (IPIP) for the project

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
					2020/21	<p>Final BoQ and tender documents for the construction of the resettlement housing were sent to SCM for compliance checking.</p> <p>Social: A meeting was convened on 25 Feb 2021 with the two additional families affected by the raising of the dam wall to resolve their relocation.</p>	Inability to procure goods and services through the DWS supply chain processes.	
			-		Mzimvubu Ntabelanga Dam	<p>See details below</p> <p>Ongoing arrangements for funding.</p> <p>Preparatory work for the widening of access roads undertaken (10% complete)</p> <p>Procurement of materials</p> <p>Appointment of ECO and OHS Agent</p>	<p>See details below</p> <p>Concurrence on Funding Model for all stages of the project.</p> <p>Under by construction progress of 10% (i.e. not 20% complete)</p>	<p>Milestone not met</p> <p>Funding not secured.</p> <p>Construction drawings outstanding. Letter of Demand to be issued to PSP for outstanding deliverables</p>
					Advance Infrastructure			



Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 March 2021	Deviation from planned target to actual achievement	Reasons for deviations			
			2018/19	2019/20							
		Number of job opportunities created through implementing augmentation infrastructure projects	125	148	50	114	Over by 64	<b>Target exceeded</b> Increased intake of personnel to catch-up with projects with construction when COVID-19 regulations were relaxed.			
<b>Sub-programme</b> Regional Bulk Infrastructure Grant											
3	Water demand reduced and water supply increased	3.7	Regional bulk infrastructure project phases implemented	3.7.1.1	Number of mega regional bulk infrastructure project phases under construction	11	9	9	8	Under by 1	<b>Target partially met</b> uMshwathi BWS Phase 4 of 5 Delays by the municipality to finalise the detailed designs and Environmental Impact Assessment for phase 4 of the project.
						1	3	1	1	N/A	<b>Target met</b>
		3.7.2.1	Number of mega regional bulk infrastructure project phases completed			1	1	1	1		Sebokeng WWTW phase 1 of 2
											<ul style="list-style-type: none"> <li>O R Tambo King Sabata Dalindyebo (KSD) Water Supply Phase 2 of 2</li> <li>Umshwathi BWS Phase 3</li> <li>Jozini Bulk Water Supply</li> </ul>

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
		3.7.1.2 Number of large regional bulk infrastructure project phases under construction	46	• 55	62	68	Over by 6	<b>Target exceeded</b> MP: One project was under construction for the first two quarters the financial year LP: Five additional project phases implemented for Moutse
		3.7.2.2 Number of large regional bulk infrastructure project phases completed	14	6	11	2	Under by 9	Target not met NW: Taung / Naledi BWS Phase 2E delays by construction unit to finalise the works due to procurement challenges and constant community unrests. Greater Mamusa BWS Phase 3 of 4 delays by construction unit to finalise the works due to procurement challenges and constant community unrests. Mafikeng

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
					2020/21			BWS (Mimabatho) Phase 2 of 2 delay in completion of the project is mainly due to constant community and labour unrests EC: Mt Ayliff Peri Urban BWS Phase of 2 (upgrade of WTW delays by construction unit to finalise the works due to procurement challenges and constant
		3.7.1.3 Number of small regional bulk infrastructure project phases under construction	24	27	38	35	Under by 3	Target partially met MP: Sibange Phase 2 of 5 Contractor terminated the contract due to financial dispute with the IA. Rooikoppen/Sakhile Bulk Outfall Sewer phase 1 of 2 (COVID- 19) Delays in finalising the SLAs and signing of the letter to appoint Gert Sibande DM as an Implement Agent.

Outcome	Output	Output indicator		Audited actual performance		Planned annual target	Actual achievement by 31 March 2021	Deviation from planned target to actual achievement	Reasons for deviations
				2018/19	2019/20				
						2020/21			NC: Windsorton to Holpan BWS Phase 1 of 1The project is on hold due to insufficient funding as a result of the project cost escalation. Upington WWTW Phase 1 of 1Delays by the municipality to appoint the contractor.
		3.7.2.3	Number of small regional bulk infrastructure project phases completed	9	7	14	8	Under by 6	<b>Target partially met</b> FS: Jagersfontein/Fauresmith BWS Phase 3, Delays by the contractor to finalise the works due to delayed delivery of materials WC: Lamberts Bay Desalination Plant delays in appointment of contractors by the IA had an impact on completion of the project.

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by	Deviation from planned target to actual achievement	Reasons for deviations			
			2018/19	2019/20					31 March 2021		
		3.7.2.4 Number of job opportunities created through implementing RBIP infrastructure projects	649	623	995	560	Under by 435	<b>Target partially met</b> Creation of job opportunities was affected by National lockdown regulations for social distancing and number of people required to be at a certain place at a certain time			
<b>Sub-programme Water Services Infrastructure Grant</b>											
3	Water demand reduced and water supply increased	3.8	Water services infrastructure grant projects implemented	3.8.1	Number of small WSIG projects under construction	181	263	353 <sup>1</sup>	382	Over by 29	<b>Target exceeded</b> Some projects were carried over from the previous financial year, due to the overlapping between the municipal and the national financial years.
		3.8.2	Number of small WSIG projects completed	0	117	105	112	Over by 7	<b>Target exceeded</b> Some projects were carried over from the previous financial year, due to the overlapping between the municipal and the national financial years.		

<sup>1</sup> This is a correction based on the midterm adjusted APP that reflected 347 projects whereas based on the project list, a total of 353 projects were planned.

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 March 2021	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
		3.8.3 Number of intervention projects implemented	-	New indicator	1	1	N/A	<b>Target met</b>
		3.8.3(a) Number of intervention projects implemented (COVID-19)	-	New indicator	432	0	Under by 432	<b>Target not met</b> Delayed construction to implement COVID-19 projects
		3.8.4 Number of existing bucket sanitation backlog systems in formal settlements replaced with adequate sanitation services per year	2 019	692	10 798	592 (NC backlog from 2019/20 financial year – no actual achievement against the 2020/21 target)	Under by 10 798	Target not met Lack of bulk infrastructure to connect and complete reticulation network hinders the commissioning of the remaining toilets. Slow procurement processes for National Tenders and non-responsive Works Quotations (WQ's) further compromised efforts at completing the works as planned.
		Number of rural sanitation projects completed	5 012	3 377	-	2 184	This relates to the rural sanitation backlog from the previous financial years	N/A



Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by	Deviation from planned target to actual achievement	Reasons for deviations		
			2018/19	2019/20					31 March 2021	
3	Water demand reduced and water supply increased	Sub-programme Operations of Water Resources								
		3.9 National asset management plan (NAMP) with unscheduled maintenance kept at ≤20% by 2024	3.9.1	Percentage of projects completed as per Maintenance Plan (Planned Maintenance)	46% (267 of 579 projects)	39% (428 of 1105 projects)	50%	39% (474 of 1203 projects)	Under by 11%	<b>Target partially met</b> Lack of term contract for implementation of the maintenance plan.
			3.9.2	Percentage unscheduled maintenance projects completed as a proportion of planned maintenance projects	27% (153 of 579 projects)	25% (285 of 1105 projects)	≤30%	26% (307 of 1203 projects)	N/A	Target met
		3.10 Adherence to water supply agreements / authorisations and operating rules (water resource operations)	3.10.1	Percentage adherence to water supply agreements/ authorisations and operating rules (water resource operations)	92%	92%	80%	102%	Over by 22%	Target exceeded The authorisations and operating rules require that the supply be kept at over 80%. (our desire is not to supply less than 80% as stipulated authorisations and operating rules)
					0	47	25	25	N/A	Target met
			3.10.2	Number of dam safety evaluated	0	0	2	0	Under by 2	Target not met Bloemhof dam: Delays in procurement of the hydraulic coffer dam (internationally)
		3.10.3	Number of dam safety rehabilitation projects completed	0	0	2	0	Under by 2	Target not met Bloemhof dam: Delays in procurement of the hydraulic coffer dam (internationally)	

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 March 2021	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
					2020/21			procured) and contractor slow productivity. Kwaggaskloof Dam: Delays in procurement to establish site
		3.10.4 Number of kilometres of conveyance systems rehabilitated per annum	3.4km	2.202km	2.5km	1,9518km	Under by 0,5482km	<b>Target partially met</b> The improvement of production on site was brought by the restructuring of resources, workforce and new management of the project.
		3.10.5 Number of job opportunities created through implementing operations of water resources infrastructure projects	133	395	100	363	Over by 263	<b>Target exceeded</b> Increased intake of personnel to catch-up with projects with construction when COVID-19 regulations were relaxed.

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

##### Number of bulk raw water projects ready for implementation-

- **Mokolo Crocodile (West) Water Augmentation Project - Phase 2A:** Pre-qualification documents to be submitted to the Bid Specification Committee (BSC) by end of April 2021.
- **ORWRDP 2D:** Expedite the appointment of the Social Impact Management PSP and the property valuer.

##### Number of bulk raw water projects under construction -

- **Tzaneen Dam:** Finalise the appointment of DBSA as the implementing agent.
- **Clanwilliam Dam & Hazelmere Dam:** An alternative procurement model is being explored. The DBSA was subsequently requested to submit an Infrastructure Programme Implementation Plan (IPIP) for the project. If approved, the DBSA will be responsible for the procurement of goods and services for the project.
- **Mzimvubu**
  - **(Ntabelanga Dam):** Finalise the funding model,
  - **Advance infrastructure:** Construction drawings outstanding, therefore the Letter of Demand to be issued to PSP for outstanding deliverables.

##### Number of mega regional bulk infrastructure project phases under construction –

- **uMshwathi BWS Phase 4 of 5:** The municipality has finalised the detailed design and are in the process of appointing the contractor. Construction will start in the quarter 1 of the financial year.

##### Number of large regional bulk infrastructure project phases completed –

- **Taung / Naledi BWS Phase 2E, Greater Mamusa BWS Phase 3 of 4, Mafikeng BWS (Mmabatho) Phase 2 of 2 & Mt Ayliff Peri Urban BWS Phase of 2 (upgrade of WTW):** There are delays by construction unit to finalise the works due to procurement challenges and constant community unrests. Liaise with internal construction to address procurement challenges that impact all projects under implementation.
- **Xhora BWS phase 1 of 2 (Weir, WTW dam Bulk pipeline):** The completion of the outstanding works in underway for completion in the first quarter of the 2021/22 financial year.
- **Meyerton WWTW Phase 2 of 3:** the project has been on hold due to liquidation of the contractor because of cash flow challenges; however, a process is underway to establish an internal Project Management Unit to implement all Gauteng projects.
- **Mametja Sekororo BWS Phase 1 of 2:** the project will be completed in the first quarter of the 2021/22 financial year.
- **Chris Hani DM Cluster 9 Phase 3 of 5 (Tsomo abstraction work and WTW):** Progress has resumed and is planned for completion during the 2021/22 financial year.
- **Chris Hani DM Cluster 6 Phase 4 of 6 (Gqaga rising main, Hlupekazi):** The implementing agent (IA) has intervened, and the project will be completed in the first quarter of the 2021/22 financial year.

##### Number of small regional bulk infrastructure project phases completed –

- Balfour WWTW's Phase 2 of 3, Sibange Phase 1 of 6 & Sibange Phase 3 of 6: The project is planned for completion during the second quarter of the 2021/22 financial year.
- Jagersfontein/ Fauresmith BWS Phase 3: The project is planned for completion during the 2021/22 financial year.
- Lamberts bay Desalination Plant: The project is planned for completion during the 2021/22 financial year.

**Number of job opportunities created through implementing RBIP infrastructure projects** - Job opportunities will be created with the construction of projects during the 2021/22 financial year.

**Number of small WSIG projects under construction** - The project is planned for completion during the fourth quarter of the 2021/22 financial year.

**Number of intervention projects implemented (COVID-19)** – These projects have been incorporated for implementation under the regional bulk infrastructure grant for the 2021/22 financial year.

**Number of dam safety rehabilitation projects completed –**

- **Bloemhof dam:** Delays in procurement of the hydraulic coffer dam (internationally procured) and contractor slow productivity. Cancel Memorandum of Understanding and Service Level Agreement (MoU / SLA) with the existing contractor and appoint an external contractor.
- **Kwaggaskloof Dam:** Delays in procurement to establish site, request the contractor to accelerate procurement phases.

**Percentage of projects completed as per Maintenance Plan (Planned Maintenance)** - Expedite the appointment of the term contract.

**Number of kilometres of conveyance systems rehabilitated per annum** - The improvement of production on site was brought by the restructuring of resources, workforce, and new management of the project. Project will have a designated mechanic to oversee the continuous breakdown of plants on site. Improve on sourcing of material for the project to continue with no interruptions.

## 4.3.3 Sub-programme expenditure

Sub- programme name	2019/120			2020/21		
	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
Strategic Infrastructure Development and Management	2 393 652	2 393 652	-	2 408 138	2 408 138	-
Operation of Water Resources	193 284	193 284	-	203 915	203 915	-
Regional Bulk Infrastructure Grant	6 001 821	5 152 526	849 295	7 049 407	5 124 235	1 925 172
Water Services Infrastructure Grant	4 518 055	4 389 534	128 521	4 272 571	3 973 147	299 424
Accelerated Community Infrastructure Programme	432 883	419 977	12 906	285 954	272 131	13 823
<b>Total</b>	<b>13 539 695</b>	<b>12 548 973</b>	<b>990 722</b>	<b>14 219 985</b>	<b>11 981 566</b>	<b>2 238 419</b>

## 4.4 Programme 4: Water Sector Regulation

Ensure the development, implementation, monitoring and review of regulations across the water supply value chain.

### 4.4.1 Sub-programmes

**Water Sector Regulation Management and Support** provides strategic leadership and overall management to the programme

**Economic and Social Regulation** ensures that pricing is efficient, equitable and cost reflective to protect the interests of consumers and the sector through the provision of sustainable water resources and water services.

**Water Use Authorisation and Administration** enables equitable access to water using various regulatory instruments.

**Water Supply Services and Sanitation Regulation** regulates the provision of drinking water and the management of wastewater.

**Compliance Monitoring and Enforcement** coordinates and monitors compliance to value chain standards, licence conditions and regulations for the water sector, and enforce compliance with licence conditions. This includes the management of mine water in South Africa, with specific emphasis on acid mine management.

**Institutional Oversight** provides institutional governance and oversight of all water institutions and facilitates their establishment and development.

## 4.4.2 Outcomes, outputs, performance indicators and targets

## 4.4.2.1 2020/21 annual performance plan re-tabled in July 2020

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by	Deviation from planned target to actual achievement	Reasons for deviations	Reasons for revisions to outputs / indicators / annual targets			
			2018/19	2019/20						2020/21	31 December 2020	
<b>Sub-programme Compliance Monitoring and Enforcement</b>												
5	Enhanced regulation of the water and sanitation sector	5.1	65% compliance to environmental legislation by 2025	5.1.1	Number of water users monitored for compliance	407	317	369	172	Under by 197	Managed to implement for three quarters and funds were reprioritised due to COVID-19.	The annual target was reduced from 369 to 333 including quarters 3 and 4 for following mining, agriculture/irrigation, agro-processing, industry, SFRA, public institutions, municipalities (WWTW) and dam safety; due to COVID-19 pandemic restrictions
						94% (441 of 471 cases)	84% (366 of 435 cases)	80%	74% (153 of 206 cases)	Under by 8%	Managed to implement for three quarters and funds were reprioritised due to COVID-19.	The annual target was reduced from 80% to 70% due to COVID-19 pandemic.
						94% (441 of 471 cases)	84% (366 of 435 cases)	80%	74% (153 of 206 cases)	Under by 8%	Managed to implement for three quarters and funds were reprioritised due to COVID-19.	The annual target was reduced from 80% to 70% due to COVID-19 pandemic.
<b>Sub-programme Water Supply Services and Sanitation Regulation</b>												
5	Enhanced regulation of the water and sanitation sector	5.1	65% compliance to environmental legislation by 2025	5.1.3	Number of wastewater supply systems assessed for compliance with the Green Drop Regulatory requirements	0	0	963	Procurement processes initiated	Under by 963	Managed to implement for three quarters and funds were reprioritised due to COVID-19.	The annual target was reduced from 963 to the development of an inception report. The third quarter milestone was revised due to insufficient funds. The Executive

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 December 2020	Deviation from planned target to actual achievement	Reasons for deviations	Reasons for revisions to outputs / indicators / annual targets
			2018/19	2019/20					
5	Enhanced regulation of the water and sanitation sector	5.3 Regulations for accelerated turnaround time to finalise applications for water use authorisation	5.3.1 Percentage of applications for water use authorisation finalised within regulated time	81% (476 of 588 applications)	An average of 88%	80%	An average of 40%	Under by 40%	Managed to implement for three quarters due to COVID-19 restrictions



Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 December 2020	Deviation from planned target to actual achievement	Reasons for deviations	Reasons for revisions to outputs / indicators / annual targets
			2018/19	2019/20					
6 Water redistributed for transformation	6.2 Streamlined institutional arrangements for the water and sanitation sector	6.2.3 Number of Catchment Management Agencies gazetted for establishment	0	0	2	0	Under by 2 Breede-Gouritz	Managed to implement for three quarters due to COVID-19 restrictions	The quarters 3 and 4 milestones were changed; due to COVID-19 pandemic, restrictions which limited movement of officials; and had an impact on the planned stakeholder consultation processes. Minister has requested that cab memo drafted for rationalizing of CMAs.
				Proposal for the establishment of six CMA and roadmap	Breede-Gouritz	Draft business case for new area operation of Breede-Gouritz			
					Vaal	Draft business case for new area operation of Vaal CMAs	Vaal		

## 4.4.2.2 2020/21 annual performance plan adjusted in December 2020

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 March 2021	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
2 Ecological infrastructure protected and restored	2.3 3 mine water / wastewater management plans implemented	2.3.2 Number of strategies developed for AMD mitigation	1	1	2	2	N/A	<b>Target met</b>
			-	-	Orange WMA	Orange WMA		
			-	-	Mzimvubu-Tsitsikama WMA	Mzimvubu-Tsitsikama WMA		
			Pongola-Mtamvuna WMA	-	-	-		
		2.3.3 Waste Discharge Charge System (WDCS) Implemented country wide	-	Review of existing gap analysis on WDCS	Development of the methodology and management approach to implement the WDCS	Methodology and management approach to implement the WDCS developed	N/A	<b>Target met</b>
5 Enhanced regulation of the water and sanitation sector	5.2 Water pricing regulations	5.2.1 Water pricing regulations implemented	2019/20 raw water charges and bulk tariffs approved	2020/21 raw water charges and bulk tariffs approved	2021/22 raw water charges and bulk tariffs approved	2021/22 raw water charges and bulk tariffs approved	N/A	<b>Target met</b>
<b>Sub-programme Compliance Monitoring and Enforcement</b>								
5 Enhanced regulation of the water and sanitation sector	5.1 65% compliance to environmental legislation by 2025	5.1.1 Number of water users monitored for compliance	407	317	333	337	Over by 5	<b>Target exceeded</b> Due to additional work done by Regions
			94% (441 of 471 cases)	84% (366 of 435 cases)	70%	101% (284 of 281 cases)	Over by 31%	<b>Target exceeded</b> An increase in number of pollution related cases were reported and investigated

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by	Deviation from planned target to actual achievement	Reasons for deviations			
			2018/19	2019/20					31 March 2021		
<b>Sub-programme</b> Water Supply Services and Sanitation Regulation											
5	Enhanced regulation of the water and sanitation sector	5.1	65% compliance to environmental legislation by 2025	5.1.3	Number of wastewater supply systems assessed for compliance with the Green Drop Regulatory requirements	0	0	Inception report	Professional Service Provider (PSP) has been appointed and a service level agreement drafted.	Inception report not achieved	<b>Target not met</b> The appointment letter was signed on 14 March 2021. The draft Service Level Agreement is in the process of being finalised.
						322	383	341	428	Over by 87	<b>Target exceeded</b> Additional monitoring done due to proximity to other plants
						263	389	355	366	Over by 11	<b>Target exceeded</b> Additional monitoring done due to proximity to other plants
<b>Sub-programme</b> Water Use Authorisation and Administration											
5	Enhanced regulation of the water and sanitation sector	5.3	Regulations for accelerated turnaround time to finalise applications for water use authorisation	5.3.1	Percentage of applications for water use authorisation finalised within the regulated period	81% (476 of 588 applications)	An average of 88%	60%	63% (417 of 661 applications)	Over by 3%	<b>Target exceeded</b> There were applications that were signed within a short space of time because of revised delegations. The officials in the Department have been mobilised and enabled to be able to work remotely
						81% (476 of 588 applications)	An average of 88%	60%	63% (417 of 661 applications)	Over by 3%	<b>Target exceeded</b> There were applications that were signed within a short space of time because of revised delegations. The officials in the Department have been mobilised and enabled to be able to work remotely

Outcome	Output	Output indicator	Audited actual performance		Planned annual target	Actual achievement by 31 March 2021	Deviation from planned target to actual achievement	Reasons for deviations
			2018/19	2019/20				
6 Water redistributed for transformation	6.2 Streamlined institutional arrangements for the water and sanitation sector	6.2.1 Performance of entities evaluated against their performance plans	-	-	13 entities TCTA WRC 9 WBs 2 CMAs	13 entities TCTA WRC 9 WBs 2 CMAs	N/A	<b>Target met</b>
			0	Final concept note for establishment of the Authority	Final Business case finalised	Final Business case finalised	N/A	<b>Target met</b>
			0	0	2	2	N/A	<b>Target met</b>
				Proposal for the establishment of six CMA and roadmap	Breede-Gouritz	Breede-Gouritz	N/A	<b>Target met</b>
	6.2.4 Number of regional water utilities gazetted for establishment		0	0	0	0	Under by	<b>Target not met</b> Sedibeng Water and Bloem Water experienced financial and liquidity challenges in the year under review
			-	Draft due diligence for Sedibeng Water	-	Draft due diligence for Sedibeng Water		
				Draft due diligence for Bloem Water	-	Draft due diligence for Bloem Water		

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

**Number of wastewater supply systems assessed for compliance with the Green Drop Regulatory requirements** - Inception report not achieved; the appointment letter was signed on 14 March 2021. The draft Service Level Agreement is in the process of being finalised.

**Number of regional water utilities gazetted for establishment** - Draft due diligence for two (2) regional water utilities, Sedibeng Water and Bloem Water experienced financial and liquidity challenges in the year under review; Sedibeng Water and Bloem Water to recover during the 2021/22 financial year.

#### 4.4.3 Sub-programme expenditure

Sub- programme name	2019/20			2020/21		
	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
Water Sector Regulation Management and Support	38 363	36 247	2 116	32 562	28 564	3 998
Economic and Social Regulation	22 531	20 981	1 550	22 459	21 868	591
Water Use Authorisation and Administration	61 996	57 705	4 291	56 751	56 751	-
Water Supply Services and Sanitation Regulation	62 527	12 893	49 634	32 000	11 817	20 183
Compliance Monitoring Enforcement	116 232	112 345	3 887	122 220	109 908	12 312
Institutional Oversight	99 719	50 845	48 874	63 774	46 249	17 525
<b>Total</b>	<b>401 368</b>	<b>291 016</b>	<b>110 352</b>	<b>329 766</b>	<b>275 157</b>	<b>54 609</b>

## 5 TRANSFER PAYMENTS

### 5.1 Transfer payments to public entities

Name of public entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		(R'000)	(R'000)	
Magalies Water Board	Implementation of the Pilanesberg South Bulk Water Supply (BWS) Scheme Phase 2 project – Mafenya to Phokeng/ Tlhabane Pipeline	98 000	98 000	<b>Nooitgedagt BWS</b> – the overall progress is at 80%. The request for a variation order application for additional funds is in progress.
Sedibeng Water Board	Replacement of Namakwa Bulk Water Supply and implementation of Vaal Gamagara Groundwater Resource Development	271 306	271 306	<b>Vaal Gamagara</b> -93% complete for phase 1 of the Vaal Gamagara pipeline. There has been an involvement of chamber of mines to assist the Sedibeng Water with project implementation. <b>Namakwa Bulk Water Supply</b> (BWS) – phase 2 of the project is 69% complete.
Umgeni Water Board	Implementation of Greater Mpofana, Umshwathi Bulk Water Supply System and Maphumulo Bulk Water Supply	440 006	440 006	<b>Greater Mpofana BWS</b> - the overall progress is at 93% complete. <b>Umshwathi Regional Bulk Scheme Phase 4</b> - the detailed project designs have been completed with the appointment of contractors is expected before the end of June. <b>Maphumulo BWS</b> – the overall progress for the project is at 99%. There has been a request of additional funds that is being considered.

## 5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2020 to 31 March 2021.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with sections 38 (1) (j) of the PFMA	Amount		Reasons for the funds unspent by the entity
				transferred (R'000)	spent by the entity (R'000)	
Regional Bulk Infrastructure Grant (RBIG)	Municipalities	To develop new, refurbish, upgrade, and replace ageing water and wastewater infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality.  To pilot regional Water Conservation and Water Demand Management (WC/WDM) projects or facilitate and contribute to the implementation of local WC/WDM projects that will directly impact on bulk infrastructure requirements.	Yes	2 005 605	661 625	Municipalities are allowed to spend funds within their financial year which runs until end of June, so there is not under spending as municipalities are still within their financial year.
Water Services Infrastructure Grant (WSIG)	Municipalities	Facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and improve the sustainability of services in prioritised district municipalities, especially in rural municipalities.  Provide interim, intermediate water and sanitation supply that ensure provision of services to identified and prioritised communities, including through spring protection, drilling, testing, and equipping of boreholes.	Yes	3 367 557	1 606 451	Municipalities can spend funds within their financial year which runs until end of June, so there is not under spending as municipalities are still within their financial year.



Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with sections 38 (1) (j) of the PFMA	Amount transferred (R'000)		Amount spent by the entity (R'000)		Reasons for the funds unspent by the entity
		Provide on-site sanitation solutions. Support the existing bucket eradication programme intervention in formal residential areas. Support drought relief projects in affected municipalities.						
Vehicle licences	Municipalities	Annual renewal of boat and motor vehicle licence discs fees paid to various Driving Licence Testing Centres (DLTCs) under local municipalities	Yes	525	525	525	-	
Water Trading Entity	Departmental entity	Funds the social portion of new infrastructure development and improvement of infrastructure, two thirds of the acid mine drainage costs, and it also covers the head office support function.	Yes	2 378 960	2 378 960	2 378 960	-	
Komati River Basin Water Authority (KOBWA)	Foreign government/ international organisation	The repayment of outstanding loans to various financial institutions for Driekoppies and Maguga dams; and operational overheads. Driekoppies Dam was funded 100% by South Africa while the Maguga Dam was funded on a 60:40 ratio by South Africa and Swaziland. The loan capital was the main source of funding for the project. All loans were raised by KOBWA. The loans for Driekoppies were guaranteed by the Government of South Africa alone, whereas loans for the Maguga Dam were guaranteed by South Africa with a back-to-back guarantee from Swaziland. The balance of the funds for the Project was provided directly by the Governments.	Yes	233 093	233 093	233 093	-	

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with sections 38 (1) (j) of the PFMA	Amount transferred (R'000)		Reasons for the funds unspent by the entity
				Amount transferred (R'000)	Amount spent by the entity (R'000)	
Limpopo Watercourse Commission (LIMCOM)	Foreign government/ international organisation	<p>The Limpopo Watercourse Commission (LIMCOM) Secretariat's operational costs.</p> <p>To fully discharge its mandate, the LIMCOM took a decision on 30 of November 2011 to establish a Secretariat as provided for in Article 4.2 of the LIMCOM agreement, to assist in the implementation of the Council decisions. Once established, the Secretariat should act as a focal point for the Commission's activities and to provide administrative and secretarial support.</p> <p>The LIMCOM current interim Secretariat is hosted by the Republic of Mozambique, Maputo. The work to be done by the LIMCOM is considered essential and in line with the South African commitments to Integrated Water Resources Management (IWRM) in the SADC region as envisaged by the Revised SADC Protocol on Shared Watercourses, an agreement to which South Africa is a signatory to.</p>	Yes	752	752	-
Orange-Senqu River Basin Commission (ORASECOM)	Foreign government/ international organisation	<p>The Orange-Senqu River Basin Commission (ORASECOM) Secretariat's operational costs.</p> <p>The ORASECOM was established in the year 2000 through an agreement amongst the Republic of Botswana, the Kingdom of Lesotho, the Republic of Namibia, and the Republic of South Africa. The Commission established the Permanent Secretariat in the year 2007 and is based in Centurion, Republic of South Africa.</p>	Yes	3 464	3 464	-

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with sections 38 (1) (j) of the PFMA	Amount transferred (R'000)		Amount spent by the entity (R'000)		Reasons for the funds unspent by the entity
African Ministers' Council on Water (AMCOW) Trust Fund	Foreign government/ international organisation	The African Ministers' Council on Water (AMCOW) Secretariat's operational costs. The African Ministers' Council on Water (AMCOW) was formed in 2002 in Abuja Nigeria, primarily to promote cooperation, security, social and economic development, and poverty eradication among member states through the management of water resources and provision of water supply services.	Yes	149	149	149	-	-
Farmer support	Household	The Department of Water and Sanitation offers resource poor farmers financial assistance towards purchasing irrigation infrastructure through the existing Resource Poor Farmers (RPF) policy and its implementation framework. The financial assistance may be used for: <ul style="list-style-type: none"> <li>• Capital cost of water distribution and/or storage infrastructure;</li> <li>• Operation and Maintenance, Water Resource Management and Depreciation charges;</li> <li>• Acquisition of water entitlement for irrigation;</li> <li>• Socio-Economic viability studies and investigations;</li> <li>• Training of management committees of the Water User;</li> <li>• Associations or any legal entity approved by the Minister or his/her delegated official;</li> <li>• Rainwater tanks for household productive uses by the poor.</li> </ul>		125	125	125	-	-

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)		Amount spent by the entity (R'000)		Reasons for the funds unspent by the entity
NEPAD Business Foundation	AU/ NEPAD SANWATCE – a network of universities and research institutions in Southern Africa Region.	Funds were used for water related research agendas and initiatives which will in turn be beneficial to the sector. The University of Stellenbosch and DWS collaborated and combined their respective expertise for mutual interests in the development, research, innovation, education, and training in the Southern African Development Community (SADC) region. It provided for support of on-going activities through the AU/ NEPAD SANWATCE Secretariat, within the water and related sectors through the conclusion of appropriate agreements on a project-by-project basis.	Yes	500	500	500	-	-
Various institution: 2020 Vision	Water and Sanitation Education Programme	The 2020 Vision for Water and Sanitation Education Programme hosted 2019 National Adjudication which is a culmination of 2020 Vision for Water and Sanitation Education Programme (VFWSEP) provincial activities as per different Action Projects of the Programme.	Yes	334	334	334	-	-
Energy Water Sector Education and Training Authority (EWSETA)	Departmental agencies and accounts	Payment of the Skills Levy in terms of the Skills Development Levy Act to the Energy and Water Sector Education Training Authority	Yes	3 086	3 086	3 086	-	-
Com licences	Departmental agencies and accounts		Yes	1	1	1	-	-

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with sections 38 (1) (j) of the PFMA	Amount transferred		Amount spent by the entity		Reasons for the funds unspent by the entity
				(R'000)	(R'000)	(R'000)	(R'000)	
Bursaries (non-employees)	Households	External bursaries awarded to financially needy and academically deserving learners for the full time pre- and post-graduate water related qualifications at South African universities. Bursaries are allocated based on a balanced consideration of the factors such as academic performance, race and gender, financial need and need of DWS about the specific qualifications. DWS requires bursars who obtain their qualifications to join Learning Academy as graduate Trainees for a minimum of three (3) years, where they will be exposed to the workplace to register professionally with the respective professional body where applicable.	Yes	30 417	30 417	30 417	-	
Leave gratuity	Households	Leave gratuities/ post-retirement benefits for retiring employees		11 370	11 370	11 370	-	

The table below reflects the transfer payments which were budgeted for in the period 1 April 2020 to 31 March 2021, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for		Reasons why funds were not transferred
		(R'000)	(R'000)	
South African Youth Water Prize (SAYWP)	Cash prizes for positions one (1), two (2) and three (3) for the National SAYWP winners	17	-	South African Youth Water Prize (SAYWP) Programme activities could not be conducted owing government enforced COVID-19 lock down restrictions.

## 6 CONDITIONAL GRANTS

### 6.1 Conditional grants and earmarked funds paid

The table below describes each of the conditional grants and earmarked funds paid by the Department.

#### Conditional Grant 6.1.1: Regional Bulk Infrastructure Grant (Schedule 5B)

Municipality to which the grant has been transferred	Various municipalities appointed as implementing agents by the Department
Purpose of the grant	<ul style="list-style-type: none"> <li>To develop new, refurbish, upgrade, and replace ageing water and wastewater infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality</li> <li>Implementation of regional Water Conservation and Water Demand Management (WC/WDM) projects or facilitate and contribute to the implementation of local WC/WDM projects that will directly impact on bulk infrastructure requirements</li> </ul>
Expected outputs of the grant	<ul style="list-style-type: none"> <li>50 regional bulk project phases initiated</li> <li>12 project phase phases completed</li> <li>120 501 households benefitting from completed project phases</li> <li>8 district municipalities benefitting from completed project phases</li> <li>458 of job opportunities created</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>47 bulk project phases initiated</li> <li>5 project phase phases completed</li> <li>89 829 households benefitting from completed project phases</li> <li>4 district municipalities benefitting from completed project phases</li> <li>258 of job opportunities created</li> </ul>
Amount per amended DORA (R'000)	2 005 605
Amount transferred (R'000)	2 005 605
Reasons if amount as per DORA not transferred	Allocation fully transferred
Amount spent by the municipalities (R'000)	661 625
Reasons for the funds unspent by the municipalities	Delays in implementation of projects have negative effect of spending. Although the funds are committed, delays such as community unrest, labour unrest hinder onsite progress
Monitoring mechanism by the transferring department	Monthly expenditure reports, site meetings and quarterly performance evaluation reports. Department try all the time to resolve the risks that have negative impact on implementation of projects

**Conditional Grant 6.1.2: Water Services Infrastructure Grant (Schedule 5B)**

Municipality to which the grant has been transferred	Various municipalities appointed as implementing agents by the Department
Purpose of the grant	<p>To facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and improve the sustainability of services in prioritised district municipalities, especially in rural municipalities</p> <ul style="list-style-type: none"> <li>• Provide interim, intermediate water supply that ensure provision of services to identified and prioritised communities, including through spring protection, drilling, testing, and equipping of boreholes</li> <li>• Provide on-site sanitation solutions</li> <li>• To support drought relief projects in affected municipalities</li> </ul>
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• Implement 293 water supply projects in 91 municipalities</li> <li>• Complete 101 water supply projects in 50 municipalities</li> <li>• 90 561 households provided with water through reticulated water supply or source identification;</li> <li>• 8 985 households benefitted from sanitation projects.</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• Implemented 364 water supply projects in 92 municipalities</li> <li>• Completed 107 water supply projects in 36 municipalities</li> <li>• Completed rural on-site sanitation in 1 626 households</li> <li>• 90 561 households provided with water through reticulated water supply or source identification;</li> <li>• 8 985 households benefitted from sanitation projects.</li> </ul>
Amount per amended DORA (R'000)	3 367 557
Amount transferred (R'000)	3 367 557
Reasons if amount as per DORA not transferred	Allocation fully transferred
Amount spent by the municipalities (R'000)	1 606 451
Reasons for the funds unspent by the municipalities	Municipalities can spend funds within their financial year which run until end of June, so there is not under spending as municipalities are still within their financial year.
Monitoring mechanism by the transferring department	Monthly expenditure reports, site meetings and quarterly performance evaluation reports.

## Conditional grants and earmarked funds received

The tables below detail the conditional grants and ear marked funds received during for the period 1 April 2020 to 31 March 2021.

### Conditional Grant 6.2.1: Regional Bulk Infrastructure Grant (Schedule 6B)

Purpose of the grant	<ul style="list-style-type: none"> <li>To develop new, refurbish, upgrade, and replace ageing water and wastewater infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality</li> <li>Implementation of regional Water Conservation and Water Demand Management (WC/WDM) projects or facilitate and contribute to the implementation of local WC/WDM projects that will directly impact on bulk infrastructure requirements</li> </ul>
Expected outputs of the grant	<ul style="list-style-type: none"> <li>59 regional bulk project phases initiated</li> <li>14 project phase phases completed</li> <li>136 654 households benefitting from completed project phases</li> <li>10 district municipalities benefitting from completed project phases</li> <li>537 of job opportunities created</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>59 regional bulk project phases initiated</li> <li>6 project phase phases completed</li> <li>61 282 households benefitting from completed project phases</li> <li>5 district municipalities benefitting from completed project phases</li> <li>302 job opportunities created</li> </ul>
Amount per amended DORA (R'000)	3 487 951
Amount received (R'000)	3 487 951
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	1 724 173
Reasons for the funds unspent by the Department	Delays by implementing agents in implementing projects, which mainly caused by slow SCM processes, litigations process due to SCM processes. Community unrest also delays progress on site.
Reasons for deviations on performance	Delays by implementing agents in implementing projects, which mainly caused by slow SCM processes, litigations process due to SCM processes. Community unrest also delays progress on site.
Measures taken to improve performance	Implementing agents to report urgently on risks that will have negative effect on the implementation of projects. Where possible reallocate budget to avoid under spending.
Monitoring mechanism by the receiving department	Monthly expenditure reports, site meetings and quarterly performance evaluation reports. The Department tries all the time to resolve the risks that have negative impact on implementation of projects.



**Conditional Grant 6.2.2: Water Services Infrastructure Grant (Schedule 6B)**

Purpose of the grant	<ul style="list-style-type: none"> <li>To facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and improve the sustainability of services in prioritised district municipalities, especially in rural municipalities</li> <li>Provide interim, intermediate water supply that ensure provision of services to identified and prioritised communities, including through spring protection, drilling, testing and equipping of boreholes</li> <li>Provide on-site sanitation solutions</li> <li>To support drought relief projects in affected municipalities</li> </ul>
Expected outputs of the grant	<ul style="list-style-type: none"> <li>Implement 60 water supply projects in 14 municipalities</li> <li>Complete 8 water supply projects in 3 municipalities</li> <li>1 801 households provided with water through reticulated water supply or source identification;</li> <li>5 107 households benefitted from sanitation projects.</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>Implemented 18 water supply projects in 14 municipalities</li> <li>Completed 5 water supply projects in 4 municipalities</li> <li>1 801 households provided with water through reticulated water supply or source identification;</li> <li>5 107 households benefitted from sanitation projects.</li> </ul>
Amount per amended DORA (R'000)	591 064
Amount received (R'000)	591 064
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	304 563
Reasons for the funds unspent by the Department	Delay in the finalisation of service level agreements as well as non-availability locally of some of the materials
Reasons for deviations on performance	Delay in the finalisation of service level agreements
Measures taken to improve performance	Departmental Bid Adjudication Committee meetings to be held regularly to deal with service level agreement
Monitoring mechanism by the receiving department	Monthly expenditure reports, site meetings and quarterly performance evaluation reports

**7 DONOR FUNDS**

None.

## 8 CAPITAL INVESTMENT

## Capital investment, maintenance and asset management plan

Infrastructure projects	2019/20			2020/21		
	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
New and replacement assets	2 959 151	2 035 140	924 011	2 984 970	1 879 014	1 105 956
Existing infrastructure assets	195 945	133 225	62 720	1 155 765	205 350	950 415
Upgrades and additions	59 123	8 345	50 778	178 726	164 513	14 213
Rehabilitation, renovations, and refurbishments	75 668	63 868	11 800	953 536	19 844	933 692
Maintenance and repairs	61 154	61 012	142	23 503	20 993	2 510
Infrastructure transfer	9 105 506	9 067 662	37 844	8 794 527	8 794 527	-
Current	413 184	413 184	-	437 008	437 008	-
Capital	8 692 322	8 654 478	37 844	8 357 519	8 357 519	-
<b>Total</b>	<b>12 260 602</b>	<b>11 236 027</b>	<b>1 024 575</b>	<b>12 935 262</b>	<b>10 878 891</b>	<b>2 056 371</b>



# PART C: GOVERNANCE

## 1 INTRODUCTION

The commitment by the Department to maintain the highest standards of governance is fundamental to the management of public funds.

This section reviews the Department's responsibilities and practices; policies and procedures to assess if the strategic direction ensured that the objectives were achieved, risks were managed, and resources were used responsibly and within accountability.

In other words, this section will provide the Department's performance (i.e. the ability to deliver services); conformance (i.e. how the legal requirements were met) and community expectations (i.e. Parliamentary Committees).

## 2 RISK MANAGEMENT

The Risk Management Committee oversees the effectiveness of the risk management framework. It is chaired by an external person and is also constituted by the Department's Deputy Directors-General and representatives from the Legal Services, Occupational Health and Safety, Risk Management, and Internal Audit units.

For the period under review, the Committee met on four (4) occasions with the matters under consideration including:

The review and approval of the risk governance documents;

- Review and approval of the compliance governance documents;
- Review and approval of the business continuity governance documents;
- Review and approval of ethics management governance documents;
- Information technology (IT) risk profile;
- Project risks which embed risk assessment into project management processes;
- Ethics risk profile;
- Compliance risk profile;
- Strategic and operational risk profiles;
- Risk management training on risk management policies and procedures; and
- Implementation of the Protection of Personal Information Act, Act No 4 of 2013 (POPIA).

### Supervision and monitoring

The management of risks is a continuous process and forms part of Department's planning and control cycle that is supervised by the Risk Management Committee.

Periodically, the main risks and risk management measures taken are reported and discussed with the Director-General and the Audit Committee.

Evaluation of and adjustments to the risk management and control system; Top Management annually evaluates its internal risk management and control system and considers how the system can be improved.

The Risk Management Committee and the Deputy Directors-General of each branch held a meeting ('tone at the top' and culture) with a focus on developing risk quarterly deliverable in which each DDG will be measured.

The subject of quarterly deliverable is currently being communicated to all ranks within the organisation. This resulted in senior management devoting specific attention to risk mitigation within their areas of responsibilities and the Risk Management Committee holding risk owners accountable for risk management within their areas of responsibilities.

### 3 FRAUD AND CORRUPTION

During the risk assessment process, the Department has also considered its fraud risks exposure. To minimize and to ensure their subsequent elimination, the Department put various measures in place. The Department has adopted zero tolerance to fraud and corruption and has approved a fraud policy as well as an anti-corruption and fraud prevention plan.

In its fraud policy, the Department subscribes to the Protected Disclosure Act meaning that employees who have reported incidents of fraud and corruption are protected from any form of occupational detriment. The anti-corruption and fraud prevention plan is an overall plan that sets out how the Department will reduce fraud and corruption. It sets out the activities that the Department will carry out to limit or eliminate the exposure of corruption and fraud. This was implemented during the financial year and is reviewed annually.

Even during level 5 and 4 lockdown restrictions the Directorate: Forensic Audit & Quality Assurance investigated 30 cases irregularities amounting to R495 million utilising internal resources. As part of the Department's pro-active fraud prevention measures, pro-active work carried out by the Internal Audit Unit also averted irregular expenditure to the amount of R750 million. The Directorate held 13 fraud awareness sessions (both physical and virtual) to various Directorates within the Department and 159 officials were in attendance. A joint media statement was issued by the Department and the Special Investigation Unit (SIU) on 26 November 2020, and another was issued on the 25 February 2021. These media statements were picked up and published by various media houses. They highlighted the ongoing work that the Department and the SIU are doing around fraud and corruption.

This was done to ensure that the officials are kept abreast of different ways in which the Department could be exposed to the risk of fraud and corruption and to deter officials from engaging in fraud and corrupt activities. The awareness sessions are targeted at new officials during their induction programme and existing officials throughout the Department (including the Regions and Clusters). These workshops are aimed at increasing vigilance of the officials. The Department uses internal and external sources for identifying incidents of fraud and corruption. The external source is mainly the National Anti-Corruption Hotline (NACH), coordinated by the Public Service Commission (PSC) to ensure that all cases of fraud and corruption are reported centrally and redirected to the Department for investigation. Feedback is then provided to the Public Service Commission on how the reported matters have been handled.

The internal source is mainly through the officials reporting the incidents of fraud and corruption to the Office of the Director-General (ODG). After the DG's approval, the Department's Forensic Investigation Unit located within Internal Audit investigates and issues reports to the DG to implement the recommendations as well as the DWS Audit Committee for noting and subsequent monitoring. The Department's Forensic Investigations Unit remains independent, free of bias and aspires to remain free of any kind of influence. All managers and employees within their areas of responsibilities are responsible for the detection and prevention of fraud and corruption.

The Department has established an Ethics Management Committee to promote ethical behaviour with intention to prevent and manage fraud.

## 4 MINIMISING CONFLICT OF INTEREST

The Public Service Code of Conduct sets standards for ethical conduct in the Public Service and is supported by the Financial Disclosure Framework that requires various categories of employees to declare their financial interests annually. During the 2020/2021 financial year the following categories of employees declared their financial interests as indicated in the table below:

Category	Submitted	Not submitted	Total	Percentage compliance
	#	#	#	%
Senior management service	188	0	188	100
Employees equivalent to level 12 and above the OSD	364	60	424	85.84
Employees on level 12				
Employees on salary level 11 and OSD equivalent	724	420	1144	63.28
Branch finance (Main) and Water Trading required to submit				

The verification of disclosures is undertaken ethics officers. This verification process identifies possible conflicts of interest. In instances of noncompliance with the disclosures, letters are sent to respective officials and the relevant branch heads are required to facilitate the compliance by the deadline within their areas of responsibility.

## 5 CODE OF CONDUCT

The Department subscribes to the public service Code of Conduct and continuous awareness is created focusing on work ethics and other aspects covered by the code. The Compulsory Induction Programme (CIP) also creates awareness of the code to new employees who join the Department.

The employees who transgress the provisions of the code are dealt with in terms of the Disciplinary Code and Procedures of the public service.

## 6 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

As required by the section 19 of the Occupational Health and Safety (OHS) Act, the Department has an established a committee that meets and reviews health and safety issues on a quarterly basis.

The committee is supported by safety officers who are appointed in all departmental offices to ensure the implementation of the OHS policy in respective areas of work. The officers undertake periodic inspections and report to the OHS Committee. The inspection reports are also submitted to the Department's top management for discussion and approval of recommendations.

To minimise incidents of injury on duty, officers receive regular training and awareness campaigns are carried out across the Department, with special focus on employees engaged in construction and infrastructure maintenance.

## PORTFOLIO COMMITTEES

Parliament is mandated with the responsibility for law-making, oversight, public participation, and facilitation of co-operative government within all spheres of government through the National Assembly (NA) as well as the National Council of Provinces (NCOP). The NCOP ensures that the interests of provinces are represented through oversight and taking part in the law-making process.

Government is accountable to the citizens through the work of Parliamentary multi-party committees in the National Assembly and the National Council of Provinces. The Committees hold government accountable by monitoring the expenditure of funds and implementation of programmes in line with the priorities that government commits through their annual performance plans tabled to Parliament and adopted each financial year.

Committees also undertake oversight visits to different provinces in the country to interact with different communities and verify whether services are delivered in accordance with plans tabled before Committees. The oversight visits also afford Parliamentary Committees an opportunity to assess the impact of service delivery to assess the extent to which all levels of government collaborate to ensure service delivery.

Communities are also able to submit petitions to the Petitions Committee which in turn refers these to relevant Portfolio Committees for further processing. The Portfolio Committees are obligated to address Petitions with the relevant municipalities, provincial governments, and national departments to ensure that challenges of service delivery are resolved in accordance with the principles of co-operative government and intergovernmental relations as provided for in Chapter 3 of the Constitution (Act No 106 of 1996).

During the year under review, the Department had a total of thirty-seven (37) interactions with Parliamentary Committees. These interactions are as follows:

- There were thirteen (13) meetings with the Portfolio Committee of Human Settlements, Water and Sanitation (PCHSWS);
- There one (1) joint engagement with the Select Committee on COGTA and the PCHSWS;
- There was one (1) engagement with the Standing Committee on Appropriations (SCoA); and
- There was (1) engagements Standing Committee on Public Accounts (SCOPA).

Issues raised by different Committees of Parliament fall into three (3) main categories; namely:

- Department's performance which includes performance of the Department and related entities, including the Water Boards;
- Conformance, in terms of which the department accounts on the extent to which it has complied with legal requirements; and
- Matters of community interests such as how the department is addressing challenges arising in relation to delivery of water and sanitation services.



Progress and responses on some of the issues raised by the committees are tabulated below:

Date of meeting	Topic/ Agenda	Matters raised by the committee	Response by the department
<b>Department's performance</b>			
21 May 2020	Briefing of the Committee on the COVID-19 intervention	Committee concerned with unreliable water supply in many parts of the country especially with the advent of COVID-19 and the department was requested to provide what its contribution would be to government's effort to limit the impact of COVID-19 on communities	<p>The Department reported that its countrywide intervention was to provide interim water supply in vulnerable communities not yet served with formal water supply or where reliability was significantly compromised.</p> <p>Phase one of the intervention was coordinated through the implementing agent, Rand Water which was established as a National Command Centre for the water sector. Through this intervention, Rand Water procured and installed water tanks, ranging between 2 500 and 10 000 litres in capacity, in the unserved areas.</p> <p>Water Boards and all the provincial departmental offices also played an important role of coordination, installation and monitoring the intervention through Provincial Joint Operating Committees.</p>
18 August 2020	Progress report on the department's COVID-19 intervention	Progress on implementation of the COVID-19 interventions as well as the budgetary implications thereof	<p>The department's COVID-19 intervention was funded with reprioritised RBIG funding of R306.5 million, and had registered the following progress by July 2020:</p> <ul style="list-style-type: none"> <li>• Water storage tanks were delivered to a total of 158 municipalities and districts</li> <li>• 196 Ml of water had been delivered by water tankers, at a daily average volume of 8.3 Ml.</li> </ul> <p>To sustain the COVID-19 emergency water and sanitation intervention, a further R625.6 million of grant funding would be reprioritised by the department and utilised to:</p> <ul style="list-style-type: none"> <li>• Continue supplying tanker services until October 2020</li> <li>• Implement a tanker dependency reduction strategy</li> <li>• Source development in the areas where storage tanks were installed by converting tanks to rudimentary water supply schemes and initiate an asset transfer process to relevant water services authorities.</li> </ul>



Date of meeting	Topic/ Agenda	Matters raised by the committee	Response by the department
<p>27 May to 16 October 2020</p>	<p>Implementation of the District Development Model in all the Provinces including in relation to the following:</p> <ul style="list-style-type: none"> <li>• Water and Sanitation Plans,</li> <li>• State of Wastewater Treatment Works</li> <li>• Water Services Authority Business Plans</li> <li>• Water board operations in provinces on the water delivery plans for the 2020/21 financial year</li> </ul>	<p>Whether the Department and its regional offices take part in the provincial structures that are coordinating the District Development Plan and whether the short-, medium- and long-term planning for water in the provinces includes all stakeholders.</p>	<p>Planning for water from a District Development Model (DDM) perspective takes into consideration the current and future demand for water, and which identifies short, medium, and long-term interventions, to ensure long term water security for domestic consumption, agriculture and other economic activity.</p> <p>Water Services Authorities (municipalities) are responsible for Water Services Development Planning based on the National Water and Sanitation Master Plan (NWSMP) which was developed after consultations with all key stakeholders.</p> <p>The NWSMP attempts to balance the focus between long term resource, bulk, and secondary bulk planning with short term interventions at ward level (micro), to address lack of water within communities.</p>
		<p>Committee identified as a critical issue the debt owed to Water Boards and the Department of Water and Sanitation by municipalities that must be addressed by the Inter-Ministerial Task Team, SALGA and the Department of Cooperative Governance and Traditional Affairs</p>	<p>The Department reported that the COGTA Inter-Ministerial Task Team (IMTT) recommendations and remedial action on debt recovery such as continuous stakeholder engagement, top slicing of municipal grants, and listing and handing over non-compliant municipalities by issuing of directives by National Treasury are being considered for implementation.</p> <p>The Department further indicated that it had provided support to Water Boards which had become financially unsustainable due to the outstanding Municipal Debt.</p> <p>Very limited progress had been made to reduce the debt despite the resolutions of the Inter-Ministerial Committee and engagement with local government structures. In many instances repayment commitments made by municipalities are not honoured.</p>
	<p>Pace of processing applications and issuing of water use licenses to historically disadvantaged groups, particularly in the provinces of Mpumalanga, Limpopo and North West.</p> <p>The Department should fast-track the verification and validation of existing lawful water use in all water management areas; to ensure a speedy water allocation reform to address the water needs of the historically excluded communities.</p>	<p>The imbalances in the distribution of water use licences should be addressed but there has to be a period of transition to enable the agricultural sector to reduce water use through introduction of interruptive technologies so the sector can continue to be productive.</p> <p>In relation to water allocation reform, the Department indicated that the Minister has directed that transformation is non-negotiable...more water to be allocated to support emerging farmers....also, in relation to land restitution programmes...licences to also include water allocation.</p>	

Date of meeting	Topic/ Agenda	Matters raised by the committee	Response by the department
		<p>The extent to which the Department is investing in desalination plants for provinces with access to the coastline to ensure sustainability of water supply</p> <p>Management of pollution emanating from dysfunctional wastewater treatment works in municipalities most of which were reported to be operating above capacity and contributing to pollution of water</p> <p>Report on the progress made in each province regarding the COVID-19 intervention</p>	<p>Desalination will become an important component of the water mix as surface water is not sufficient for long term water security. Consideration is being given to reduce energy costs to make desalination and the operation of the required infrastructure more affordable.</p> <p>Ground water as well as water recycling and re-use are also important elements of the water mix for inland provinces.</p> <p>Where sanitation infrastructure is not properly managed, the risk for pollution of water resources is being managed by DWS in terms of its role as a regulator. DWS is strengthening its regulatory capabilities through the establishment of the anti-pollution team which is already working on the ground.</p> <p>As of 18 September 2020, a total of 7647 water tanks had been delivered in all provinces; of which 5899 had been installed and 6184 were in use. All the tanks allocated to each of the provinces had been delivered by 20 July 2020. Seventy-eight percent (78%) of the tanks allocated had been delivered and measures were put in place to ensure that all the tanks would be installed by the end of October 2020. Furthermore, the transfer of the assets to municipalities is planned for the end of October.</p> <p>DWS was undergoing an organisational structure review process which would provide an opportunity to identify and fill posts that are critical for service delivery. Pending the finalisation of the structure and approval thereof, vacant SMS posts, including that of the Chief Financial Officer would be advertised and filled.</p> <p>The Minister had written to the Presidency regarding filling the post of the Director-General.</p>
26 February 2021	Briefing on international agreements with Cuba, Lesotho and the Memorandum of Understanding with Netherlands	<p>Committee expressed concerns about the vacancy rate in the department, especially the posts of the CFO and Director-General (DG) which had been vacant for an extended period.</p> <p>Resolved that the filling of critical posts, including that of the Director General process must be expedited</p> <p>South Africa-Cuba Agreement</p>	<p>The CUBA-RSA Agreement to deploy Cuban water experts to assist in the fields of water supply and water resource management was tabled in Parliament in accordance with Chapter 14, Section 231(3) of the Constitution.</p> <p>The Agreement renewed the 2013 agreement that expired in May 2019. The renewal agreement was signed on 6 February 2020 and will be effective for five years, from 2020 to 2025.</p> <p>Twenty-six (26) Cuban engineers and water infrastructure specialists were placed within the DWS in terms of the Agreement for a period of five (5) years.</p>

Date of meeting	Topic/ Agenda	Matters raised by the committee	Response by the department
	South Africa-Netherlands Memorandum of Understanding	<p>The Memorandum of Understanding (MoU) with the Government of Netherlands was signed in 2018 for a period of four (4) years. The areas of cooperation include:</p> <ul style="list-style-type: none"> <li>• Exchange programmes – providing scholarship 25 employees of the department of water and sanitation, including a PhD student.</li> <li>• Kingfisher programme</li> <li>• Blue Deal Project - supporting infrastructure projects implemented at municipal level.</li> <li>• Crocodile River Improvement Project - to improve the performance of municipalities</li> <li>• Blesbokspruit Project - focused on improvement of water quality</li> <li>• Vredefort Dome Project - focused on compliance and monitoring</li> <li>• Msunduzi River Improvement Project - involved in water catchment management strategies.</li> </ul>	<p>The Lesotho Highlands Water Project (LHWP) Treaty was signed between the Governments of Lesotho and South Africa in October 1986 and applicable Protocols facilitated the implementation of Phase I of the Lesotho Highlands Water Project the purpose of which was to provide:</p> <ul style="list-style-type: none"> <li>• Water security for South Africa</li> <li>• Long term energy security for Lesotho</li> </ul> <p>Phase II Agreement signed between the Governments of Lesotho and South Africa in August 2011.</p> <p>Benefits for the Basotho include amongst others, community infrastructure such as schools, clinics, roads, and foot bridges as well as sanitation facilities.</p> <p>The LHWP provides substantial jobs and business opportunities for South Africans and Basotho with 50% contracts for construction being allocated to South African contractors and the other 50% to the Basotho.</p> <p>The Department reported that the COVID-19 pandemic had resulted in slower progress of the project and increased costs due to border restrictions, limited working hours, reduced staff, shortage of material and fuel, provision of additional accommodation and PPE.</p>

Date of meeting	Topic/Agenda	Matters raised by the committee	Response by the department
<p>26 May 2020</p> <p>Department's conformance</p>	<p>Briefing on Investigations and Disciplinary Matters to Standing Committee on Public Accounts</p>	<p>Members enquired about consequence management / disciplinary matters in the Department.</p> <p>Measures in place for the validation of work performed by Water Boards and other Implementing Agents on behalf of the Department.</p> <p>What oversight does the department's internal audit committee undertake over the entities that are issued with directives?</p> <p>The Members were concerned about the Ladysmith/ Spioenkop Project and that it was only at the feasibility phase whereas it commenced eight (8) years ago. It should have started to provide potable water in the Thukela area and that this would take two (2) years.</p>	<p>Internal Audit has finalised a lot of investigations and consequence management is being implemented to, inter alia, facilitate condonation of irregular and unauthorised expenditure and recoup funds from culpable officials where possible.</p> <p>The Department reported that it has managed to close cases of the disciplinary cases and would be able to make significant progress by the end of the 2020/21 financial year.</p> <p>The DWS Audit Committee started engagements with the entity Chairpersons of the Audit Committees and respective CFOs in February 2018 to facilitate capacity building twice a year. The SCM and financial representatives of the entities were also involved in this process.</p> <p>The management of irregular expenditure incurred by the Entities/ Water Boards on behalf of the Department is discussed as well as other related financial matters including the following:</p> <ul style="list-style-type: none"> <li>• Entities/ Water Boards were requested to adhere to the procurement processes to minimise irregular expenditure.</li> <li>• Clarification of Treasury Regulations, guidelines and practice notes regarding deviations and irregular expenditure</li> </ul> <p>As a benefit of these engagements, irregular expenditure at Entities/ Water Boards has been gradually been reduced.</p> <p>After much of the planning and detailed design had been completed, the Department undertook a due diligence study to determine whether there would be sufficient water available in Spioenkop Dam to support the scheme. When it became apparent that there would insufficient resource available then the project was discontinued in the form that was planned.</p> <p>The Umgeni Water Board had completed a framework tender and consultants were to be appointed to undertake a detailed feasibility study by September or October 2020.</p>

Date of meeting	Topic/ Agenda	Matters raised by the committee	Response by the department
30 March 2021	Briefing of the Portfolio Committee on 2019/20 Annual Report of the Department of Water and Sanitation	<p>Details of the arrangements that have been made to ensure that all 19 000 water tanks (number given to SCOPA by the Minister during the SCOPA meeting on the 26<sup>th</sup> of May 2020) purchased by the Department to deal with water requirements to fight the Corona virus are filled with water and are refilled with water before the water in each tank is finished? If no arrangements have been made, what are the reasons for not doing so?</p>	<p>The Department, CoGTA and existing municipal water tanker services are deployed to fill tanks and ensure continuous availability of water. The Department's contribution is 347 water tankers that have been deployed across the country as follows:</p> <ul style="list-style-type: none"> <li>• Eastern Cape: 30</li> <li>• Free State: 48</li> <li>• Gauteng: 40</li> <li>• KwaZulu-Natal: 35</li> <li>• Limpopo: 34</li> <li>• Mpumalanga: 49</li> <li>• North West: 50</li> <li>• Northern Cape: 33</li> <li>• Western Cape: 18</li> </ul>
		<p>Filling of posts of senior managers especially the posts of CFO and the DG as well as other strategic management posts where there are no ongoing disciplinary matters in the department</p>	<p>As part of a turn-around plan for the filling of posts, the Department has developed a recruitment and selection management plan that aims to address the backlog in filling of critical vacant posts. Priority will be given to posts that were advertised in 2019, these posts will have to be filled within a period of two (2) months. All new posts that were to be advertised and filled as soon as the structure review process was completed.</p>
		<p>Department was asked to provide clarity on the matter of the establishment of the Catchment Management Agencies</p>	<p>Only two (2) CMAs had been established and a decision was taken to reduce their number from nine (9) to six (6) in line with the recommendations of the Presidential State-Owned Entities Review Committee.</p>
		<p>Provide details on the processing of water use licences and, particularly the number of Historically individuals that had been issued with Water Use Licence Authorisations (WULAs) during the period under review</p>	<p>The Western Cape will have one (1) CMA which had already been Gazetted. Other CMAs will also be submitted and Gazetted for public comments in due course. From a total of 678 applications and 645 issued; 166 of these were issued to HDIs. Also, twenty-four percent (24%) were issued to local government and other state entities. The issue of HDIs a critical one which is why there is an urgent need to ensure that all provinces have wall-to-wall coverage by CMAs.</p>

Date of meeting	Topic/ Agenda	Matters raised by the committee	Response by the department
		<p>Transfer of the Regional Infrastructure and the Water Services Grants to Municipalities and provinces during the 2019/20 financial year</p> <p>Shifting of funds from the goods and services whereas the Vaal River System Intervention (VRSI) Project was budgeted for by R1bn during the period under review.</p> <p>Extent to which DWS had managed to settle accruals and other payables during the year under review.</p> <p>Explanation for the limited progress in the implementation of the Bucket Eradication Project during the 2019/20 financial year.</p>	<p>All the details of direct and indirect grants allocated per province and to each Water Service Authority are listed in Annexure 1A of the 2019/20 Annual report of the DWS</p> <p>The funds were shifted for the assessment of pollution in the Vaal River.</p> <p>As part of the financial turnaround plan, accruals and payables were only to be paid once savings were determined so as not to repeat errors that had put the Department into financial difficulties previously.</p> <p>The Department has not achieved completion of the Bucket Eradication Programme in the Free State Province for several reasons; partly due to matters beyond its control including:</p> <ul style="list-style-type: none"> <li>Small and Medium Micro Enterprises (SMMEs) are non-responsive to bids issued by the DWS which then need to be re-advertised;</li> <li>The bids received were not competitive as in some cases only one (1) bidder submitted a proposal with the result that the bids had to be re-advertised;</li> <li>Cash flow and delivery (transport) challenges experienced by the successful bidders also delayed the delivery of material to sites prior to and during the lockdown period as industries were not open for business.</li> </ul> <p>The Department also reported that a decision has been made by the Minister to allocate the Bucket Eradication Project the Housing Development Agency of the Department of Human Settlements for further implementation with effect from the issuing of the Section 29 notice in terms of the Housing Development Act 2008, dated 14 October 2020.</p>



Date of meeting	Topic/ Agenda	Matters raised by the committee	Response by the department
21 August 2020	Briefing of the Portfolio Committee on progress made with regard to the Vaal River System Intervention	<p>Members enquired on:</p> <p>The nature of the Vaal River System Intervention Project and the modalities thereof</p> <p>Whether the department has sufficient budget to address the pollution of the Vaal River System effectively</p> <p>What the department was doing to hold the polluters accountable in terms</p>	<p>The water and sanitation challenges in Emfuleni LM are classified into three (3) categories which will be the focus of the intervention:</p> <ul style="list-style-type: none"> <li>• Operations and maintenance;</li> <li>• Refurbishment of the infrastructure; and</li> <li>• Upgrade of the wastewater treatment works in the Emfuleni area.</li> </ul> <p>The Intervention will deliver an effective solution that will significantly minimise the pollution into the Vaal River and its tributaries in the Southern Gauteng Region.</p> <p>The Department indicated that an amount of R 1.8 billion has been budgeted in the Medium-Term Expenditure Framework to address the refurbishment and upgrade of infrastructure, and it was in the process of appointing several contractors to support the efforts to stop further and continued pollution of the Vaal River.</p> <p>The Department indicated that the Committee should however also note that the problem goes beyond Gauteng to affect municipalities in Mpumalanga, the Free State, the North West and the Northern Cape.</p> <p>The Department reported that the Action Plans developed by the City of Tshwane (CoT) to resolve challenges at the Rooiwal Wastewater Treatment Works (WWTW) and Temba Water Treatment Works (WTW) were not implemented in line with the:</p> <ul style="list-style-type: none"> <li>• Directives issued by the DWS;</li> <li>• Action Plan presented to the Committee by the CoT; and</li> <li>• CoT has cited a lack of funds to implement the action plan and that the Development Bank of Southern Africa (DBSA) had been approached for funding.</li> </ul> <p>As at the end of the 2020/21 financial year, the challenges at the Rooiwal WWTW had not been resolved and the DWS had instituted legal action against the CoT.</p>
21 August 2020	Briefing of the Portfolio Committee on progress made in the Rooiwal Wastewater Treatment Works (WWTW) and the Temba Water Treatment Works (WTW)	Committee enquired on the status of the Department's intervention at the Rooiwal WWTW and the Temba WTW in Temba, Hammanskraal	<p>The Department reported that the Action Plans developed by the City of Tshwane (CoT) to resolve challenges at the Rooiwal Wastewater Treatment Works (WWTW) and Temba Water Treatment Works (WTW) were not implemented in line with the:</p> <ul style="list-style-type: none"> <li>• Directives issued by the DWS;</li> <li>• Action Plan presented to the Committee by the CoT; and</li> <li>• CoT has cited a lack of funds to implement the action plan and that the Development Bank of Southern Africa (DBSA) had been approached for funding.</li> </ul> <p>As at the end of the 2020/21 financial year, the challenges at the Rooiwal WWTW had not been resolved and the DWS had instituted legal action against the CoT.</p>

Date of meeting	Topic/ Agenda	Matters raised by the committee	Response by the department
12 February 2021	Progress Report on the Bonaero Petition by the Department of Water and Sanitation	<p>The DWS to brief the committee on the actions taken to curb the pollution of the residential area and nearby water sources by the dysfunctional Bonaero Pump Station.</p> <p>The City of Ekurhuleni (CoE) and Department of Human Settlements to consult the National Treasury on reprioritizing the Urban Settlements Development Grant to urgently address the sewer spillages in Bonaero Park.</p> <p>The Department of Water and Sanitation to assist Ekurhuleni Municipality by fast tracking of outstanding application for WULA.</p>	<p>Following a site visit to the Bonaero area, the DWS regulation unit issued a revised directive to CoE dated on 19 February 2021 compelling the municipality to cease, modify and stop the sources of the pollution and remediate the affected area, as well as:</p> <ul style="list-style-type: none"> <li>• Appoint a qualified civil engineer to conduct detail assessment of the sewer pipeline feeding into Bonaero; Pomona and Sengereti pump stations</li> <li>• Submit the new action plan with budgetary provision to deal with the problems of wastewater backflow to the residential area; prevention of storm water ingress into the sewer line and pump station and insufficient capacity of Aeroparque street sewer line</li> <li>• Ensure that the effluent discharged by industries meets the effluent discharge permit standards as set out by the Municipality</li> <li>• Submit progress report on implementation and compliance with the conditions of the water use licence.</li> </ul>



## 7 SCOPA RESOLUTIONS

There were no resolutions for the period under review.

## 8 PRIOR MODIFICATIONS TO AUDIT REPORTS

The matters that were raised in previous audit reports were resolved during the 2019/20 financial year.

## 9 INTERNAL CONTROL UNIT

The internal control function is within the office of the Chief Financial Officer (CFO). Its key function is to assist management by monitoring and conducting on-going evaluation to ascertain that adequate and effective internal control systems are in place and that the Department complies with the financial management prescripts in its pursuit to achieve its priorities.

The internal control unit performed activities that were in its annual operational plan for the period under review which are summarised below:

### Assurance services facilitation

The unit played a vital role in facilitating audits conducted by the office of the Auditor-General of South Africa (AGSA) and the Department's Internal Audit. It administered audit queries raised by the AGSA and Internal Audit, and developed audit implementation plans to address internal control deficiencies identified by these assurance services providers.

For the period under review, the unit monitored the implementation of audit action plans to address internal control deficiencies and reported progress to managers and the Audit Committee to ensure that corrective actions are taken.

### Internal control systems

The unit reviewed and quality assured policies of the Department (i.e. revised and new policies) to ensure that are aligned with the applicable laws and regulations, and that the key control measures are in place to prevent or detect errors and fraud.

### Risk management

The unit further facilitated risk management activities within the finance branch and conducted quarterly reporting and follow-ups to monitor progress on the implementation of the mitigation controls in place to manage the risks that may threaten the Department's achievement of its priorities.

## 10 INTERNAL AUDIT AND AUDIT COMMITTEES

The Accounting Officer has established an internal audit activity under the control and direction of the Audit Committee complying with and operating in accordance with the PFMA of 1999, Section 77 and Treasury Regulation 3.1.

The key objective of the internal audit activity is to add value and improve the Department's operations by providing objective assurance and consulting services. This is done by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of internal controls, risk management and governance processes.

Key activities of the internal audit activity include:

- Development of three-year rolling internal audit coverage plan and annual coverage plan approved by the Audit Committee and the Accounting Officer.
- Implementation of the approved internal audit plans (including specialist Compliance, Performance, and Information Technology Audits).
- Performing Forensic Investigations.
- Performing Fraud Awareness Sessions.
- Quarterly reports to the Audit Committee.
- Perform secretarial functions to the Audit Committee.
- Review the internal audit and audit committee charters.
- Quality reviews of the internal audit activity.
- Participation and provision of advice in the department's committee meetings.
- Quarterly reviews of both the Main and WTE Accounts financial and performance information as well as Annual Financial Statements and Performance Information.
- Drafting an annual assessment of the Internal Control Environment.

For the reporting period under review, no work performed by the internal audit unit was outsourced. In addition, the Department's Internal Audit unit underwent an external quality assurance review which found that the unit is in generally conforming to the Standards for the Professional Practice of Internal Auditing (IIA Standards), which is the highest rating to be achieved. There was a marked improvement in all the standards assessed.

The Audit Committee is an independent body that reports to the Minister, via the Director-General and has provided a structured, systematic oversight of the Main and WTE Accounts' governance, risk management and internal control practices.

The overall objective of the Audit Committee is to assist the Director-General and divisional management to discharge their duties within the department. The committee also assisted the Director-General and management by providing advice and guidance on the adequacy of the WTE and Main Accounts responsibilities with regards to:

- safeguarding of assets;
- operation of adequate procedures and controls;
- financial reporting processes;
- systems of internal control over financial reporting;
- management of risks;
- review of financial statement; and
- oversight in respect of monitoring compliance with laws and regulations and the code of conduct.

The Audit Committee does not relieve management of any of its responsibilities. The implementation of the foregoing activities remains the sole responsibility of management.

## 11 INTERNAL AUDIT AND AUDIT COMMITTEES

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	Number of meetings attended
Dr. Charles Motau Chair	Doctor Technologiae: Computer Sc & Data Processing, MBL, MIT, BCom, Higher Diploma in Computer Auditing, Certificate in Digital Transformation Strategy	External	N/A	1 July 2020	N/A	6/6
Mr. Japie du Plessis	National Diploma in State Accounts and Finance. Registered Government Auditor – The South African Institute of Government Auditors.	External	N/A	April 2016 - March 2020 Reappointed: 1 April 2020	N/A	6/6
Ms Nontlaza Sizani	Bachelor of Accounting Science Honours; Bachelor of Commerce; Senior Teachers Diploma; Post Graduate Diploma in Management; Certificate in the Theory of Accountancy (CTA), AGA (SA)	External	N/A	1 July 2020	N/A	6/6
Mr Sindile Faku	Master of Science Degree; Bachelor of Education (Hons); Bachelor of Arts; Senior Teachers Diploma; Human Resource Programme; Graduate Diploma in Company Direction; Housing Finance Course; Real Estate Qualification, Leadership in Local Government Certification	External	N/A	1 July 2020	N/A	6/6





# PART D: HUMAN RESOURCES

## 1 INTRODUCTION

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

## 2 OVERVIEW OF HUMAN RESOURCES

At the start of the sixth administration, the Executive Authority commissioned an overall review of the department's organisational structure in line with the revised departmental strategy. This initiative directed the re-examination of both the 2014 and 2018 organisational structures, with specific emphasis on the alignment of functional outputs for each branch, provincial and cluster operations to the Department's mandate and strategic direction. The reformulated departmental outcomes and outputs were thus used as the basis for the functional structure.

The design of the departmental structure was guided by the six (6) strategic outcomes of the Department aligned with the seven (7) government priorities. This review was also driven by amongst other things the NDP vision 2030, the Medium-Term Strategic Framework (MTSF), the National Water Resource Strategy, the National Water Act, the Water Services Act, the Presidential directives, and State of the Nations Address.

During the period under review, the Department developed and finalised the functional macro-organisational structure in line with the above frameworks. The concurrence was also sought and received from the Minister for the Public Service and Administration and the macro structure was implemented with effect from 1 April 2021. In addition, the Department also obtained approval for aligning its budget programme structure to the revised functional structure with effect from the 2021/22 financial year. During the latter part of the period under review, the process of migrating (matching and placing) senior managers service (SMS) was undertaken. The SMS members were placed and confirmed on the new structure with effect from 1 April 2021. The microstructure (below SMS level) is being developed in the 2021/22 financial year.

The Department continued to fill critical vacancies during the period under review and recorded an 18.9% vacancy rate as of 31 March 2021. It should, however, be noted that the vacancies include all vacancies (funded and unfunded). As part of the structure review process referred to above, the Department is in process of abolishing all unfunded vacancies and only those positions that have been funded in the medium-term expenditure framework (MTEF) are being retained.

The COVID-19 pandemic had an impact on the Department's ability to decrease the vacancy rate. The recruitment and selection processes were placed on hold during lockdown levels 4 and 5 and such processes were only resumed in September 2020. Despite the COVID-19 impact in the country, the Department continued with the intake of new graduate trainees with the aim of closing the skills gap in the water sector and to continue filling critical vacant positions. The Department has been less successful with the implementation of training interventions in line with the departmental workplace skills plan whereby only 420 employees benefitted from training and development interventions during the period under review. This significant decrease was also because of the lockdown restrictions related to COVID-19.

The female representation at senior management level remained stable with a slight improvement from the 41% recorded in the previous year, to 42% as of 31 March 2020. The structure review and the filling of new vacancies provide the Department with an opportunity to increase female representation at SMS level.

The COVID-19 has had a significant impact on the Department's ability to consult with organised labour in the Departmental Bargaining Chamber (DBC). The quarterly meetings, however, took place on a virtual platform.

In conclusion; as has been the case throughout South Africa, the Department has been negatively affected by the COVID-19 pandemic. Through the establishment of various governance structure, frameworks and policies, the Department has been able to contain the COVID-19 virus in the workplace.

### 3 HUMAN RESOURCES OVERSIGHT STATISTICS

#### Personnel related expenditure

**Table 3.1.1 Personnel expenditure by programme for the period 1 April 2020 to 31 March 2021**

Programme	Total expenditure	Personnel expenditure	Training expenditure	Professional and special services expenditure	Personnel expenditure as a % of total expenditure	No of employees	Average personnel cost per employee
	(R'000)	(R'000)	(R'000)	(R'000)	%	#	(R'000)
Administration	1 618 556	737 666	-	-	46%	1470	501.81
Water Planning and Information Management	627 334	452 064	-	-	72%	845	534.99
Water Infrastructure Development	11 981 566	214 186	-	-	2%	361	593.31
Water Sector Regulation	275 157	234 414	-	-	85%	362	647.55
<b>Total</b>	<b>14 502 613</b>	<b>1 638 330</b>	<b>-</b>	<b>-</b>	<b>11%</b>	<b>3 038</b>	<b>539.28</b>

**Table 3.1.2 Personnel costs by salary band for the period 1 April 2020 to 31 March 2021**

Salary band	Personnel expenditure	% of total personnel cost	No. of employees	Average personnel cost per employee
	(R'000)	%	#	(R'000)
Lower skilled (Levels 1-2)	16 193.00	1	87	186 126.00
Skilled (Levels 3-5)	141 299.00	8.60	550	256 907.00
Highly skilled production (Levels 6-8)	440 058.00	26.90	1 043	421 916.00
Highly skilled supervision (Levels 9-12)	773 390.00	47.20	974	794 035.00
Senior and top management (Levels 13-16)	173 258.00	10.60	141	1 228 780.00
Contract (Levels 1-2)	3 464.00	0.20	26	133 231.00
Contract (Levels 3-5)	1 151.00	0.10	6	164 429.00
Contract (Levels 6-8)	34 809.00	2.10	100	348 090.00
Contract (Levels 9-12)	43 766.00	2.70	78	554 000.00
Contract (Levels >= 13)	20 282.00	1.20	11	1 843 818.00
Contract other	2 030.00	0.10	20	101 500.00
<b>Total</b>	<b>1 649 700.00<sup>1</sup></b>	<b>100.7</b>	<b>3 038</b>	<b>543 022.00</b>

<sup>2</sup> Total personnel expenditure including transfers



Table 3.1.3 Salaries, overtime, homeowners' allowance, and medical aid by programme for the period 1 April 2020 to 31 March 2021

Programme	Salaries		Overtime		Homeowners' allowance		Medical aid		Total personnel cost per programme (R'000)
	Amount (R'000)	%	Amount (R'000)	%	Amount (R'000)	%	Amount (R'000)	%	
Administration	638 951.00	86.60	1 574.00	0.20	20 369.00	2.70	36 110.00	4.90	737 666.00
Water Planning and Information Management	392 422.00	86.80	246.00	0.10	12 627.00	2.70	19 502.00	4.30	452 064.00
Water Infrastructure Development	186 095.00	86.90	1 235.00	0.50	5 279.00	2.30	8 692.00	4.10	214 186.00
Water Sector Regulation	204 977.00	87.40	216.00	0.10	5 011.00	2.10	8 796.00	3.80	234 414.00
<b>Total</b>	<b>1 422 445.00</b>	<b>86.80</b>	<b>3 271.00</b>	<b>0.20</b>	<b>43 286.00</b>	<b>2.60</b>	<b>73 100.00</b>	<b>4.50</b>	<b>1 638 330.00</b>

Table 3.1.4 Salaries, overtime, homeowners' allowance and medical aid by salary band for the period 1 April 2020 to 31 March 2021

Salary band	Salaries		Overtime		Homeowners' allowance		Medical aid		Total personnel cost per salary band (R'000)
	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 (Levels 1-2)	11 176.00	68.20	141.00	0.90	1 382.00	8.40	2 136.00	13.00	16 385.00
Skilled (Levels 3-5)	103 227.00	72.50	640.00	0.40	9 034.00	6.30	14 768.00	10.40	142 342.00
Highly skilled production (Levels 6-8)	365 341.00	86.20	692.00	0.20	17 364.00	4.10	33 902.00	8.00	423 708.00
Highly skilled supervision (Levels 9-12)	684 319.00	88.30	1 525.00	0.20	12 608.00	1.60	20 540.00	2.70	774 705.00
Senior management (Levels 13-16)	152 145.00	85.60	86.00	0.00	2 871.00	1.60	1 751.00	1.00	177 835.00
Contract (Levels 1-2)	3 429.00	98.70	0.00	0.00	0.00	0.00	0.00	0.00	3 475.00
Contract (Levels 3-5)	1 150.00	99.90	0.00	0.00	0.00	0.00	0.00	0.00	1 151.00
Contract (Levels 6-8)	34 533.00	98.60	187.00	0.50	0.00	0.00	0.00	0.00	35 020.00
Contract (Levels 9-12)	50 433.00	122.10	0.00	0.00	15.00	0.00	2.00	0.00	41 294.00
Contract (Levels >= 13)	14 662.00	72.00	0.00	0.00	12.00	0.10	1.00	0.00	20 378.00
Contract other	2 030.00	99.70	0.00	0.00	0.00	0.00	0.00	0.00	2 037.00
<b>Total</b>	<b>1 422 445.00</b>	<b>86.80</b>	<b>3 271.00</b>	<b>0.20</b>	<b>43 286.00</b>	<b>2.60</b>	<b>73 100.00</b>	<b>4.50</b>	<b>1 638 330.00</b>

### 3.2 Employment and vacancies

**Table 3.2.1 Employment and vacancies by programme as on 31 March 2021**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate <sup>2</sup>	Number of employees additional to the establishment
	#	#	%	#
Administration	1952	1491	23.60	130
Water Planning and Information Management	1030	845	18	33
Water Infrastructure Development	484	361	25.40	10
Water Sector Regulation	436	362	17	23
Water Resource Management <sup>3</sup>	4078	3414	16.30	771
<b>Total</b>	<b>7980</b>	<b>6473</b>	<b>18.90</b>	<b>967</b>

**Table 3.2.2 Employment and vacancies by salary band as on 31 March 2021**

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy rate <sup>4</sup>	Number of employees additional to the establishment
	#	#	%	#
Skilled (Levels 1-2)	761	587	22.90	0
Skilled (Levels 3-5)	1902	1456	23.40	107
Highly skilled production (Levels 6-8)	2672	2198	17.70	356
Highly skilled supervision (Levels 9-12)	2017	1680	16.70	185
Senior management (Levels 13-16)	254	178	29.90	0
Other	22	22	0	20
Contract (Levels 1-2)	26	26	0	25
Contract (Levels 3-5)	11	11	0	9
Contract (Levels 6-8)	155	155	0	114
Contract (Levels 9-12)	148	148	0	142
Contract (Levels >= 13)	12	12	0	9
<b>Total</b>	<b>7980</b>	<b>6473</b>	<b>18.90</b>	<b>967</b>

<sup>3</sup> The vacancy rate includes frozen post

<sup>4</sup> Water resource management is linked to the objective code allocated to the Water Trading

<sup>5</sup> The vacancy rate includes frozen post

**Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2021**

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
	#	#	%	#
Administrative related	559	446	20.20	39
Agriculture animal oceanography forestry & other sciences	3	3	0	0
Agriculture related	2	2	0	0
All artisans in the building metal machinery etc.	156	133	14.70	0
Appraisers-valuers and related professionals	1	1	0	0
Architects, town, and traffic planners	1	1	0	1
Artisan project and related superintendents	15	7	53.30	0
Auxiliary and related workers	433	326	24.70	1
Biologists, botanists, zoologists & related professional	1	1	0	0
Building and other property caretakers	53	39	26.40	0
Bus and heavy vehicle drivers	11	9	18.20	0
Cartographers and surveyors	21	17	19	1
Cartographic surveying and related technicians	21	20	4.80	5
Chemical and physical science technicians	11	11	0	0
Civil engineering technicians	118	98	16.90	3
Cleaners in offices workshops hospitals etc., permanent	131	106	19.10	0
Client information clerks (switchboard reception information clerks)	9	7	22.20	0
Communication and information related	32	28	12.50	1
Community development workers	86	71	17.40	0
Computer programmers	1	1	0	0
Computer system designers and analysts	1	1	0	0
Economists	1	1	0	0
Electrical and electronics engineering technicians	4	4	0	3
Engineering sciences related	568	353	37.90	137
Engineers and related professionals	169	134	20.70	61
Farm hands and labourers	11	10	9.10	0
Finance and economics related	227	186	18.10	2
Financial and related professionals	26	20	23.10	0
Financial clerks and credit controllers	422	344	18.50	1

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
	#	#	%	#
Food services aids and waiters	17	13	23.50	0
Food services workers	1	1	0	0
Forestry labourers	2	1	50	0
General legal administration & related professionals	18	14	22.20	0
Geologists, geophysicists, hydrologists & related professionals	177	159	10.20	5
Head of department/ chief executive officer	1	0	100	0
Health sciences related	1	1	0	0
Horticulturists, foresters, agriculture & forestry technicians	1	1	0	0
Household and laundry workers	6	6	0	0
Household food and laundry services related	4	4	0	1
Housekeepers, laundry, and related workers	1	1	0	0
Human resources & organisational development & related professionals	35	27	22.90	0
Human resources clerks	138	124	10.10	0
Human resources related	130	108	16.90	1
Information technology related	32	31	3.10	2
Language practitioners, interpreters & other communicators	25	21	16	0
Librarians and related professionals	2	2	0	0
Library mail and related clerks	39	34	12.80	0
Life sciences related	1	0	100	0
Light vehicle drivers	78	61	21.80	0
Logistical support personnel	106	86	18.90	0
Material-recording and transport clerks	161	133	17.40	0
Mechanical engineering technicians	12	10	16.70	8
Messengers, porters, and deliverers	70	51	27.10	0
Meteorologists statistical & related technicians	1	1	0	0
Mining geology & geophysical & related technicians	27	21	22.20	0
Motor vehicle drivers	17	6	64.70	0
Motorised farm and forestry plant operators	11	10	9.10	0
Natural sciences related, permanent	452	378	16.40	37

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
	#	#	%	#
Nature conservation and oceanographical related technicians	2	1	50	0
Operational planning	2	1	50	0
Other administrators & related clerks and organisers	455	386	15.20	3
Other administrative policy and related officers	82	75	8.50	0
Other information technology personnel	10	9	10	4
Other machine operators	7	4	42.90	0
Other occupations	911	853	6.40	641
Photographic lithographic and related workers	1	0	100	0
Physicists	1	1	0	0
Quantity surveyors & related professions not class elsewhere	3	2	33.30	1
Regulatory inspectors	33	24	27.30	0
Risk management and security services	86	78	9.30	0
Road workers	1	1	0	0
Safety health and quality inspectors	11	11	0	0
Secretaries & other keyboard operating clerks	167	150	10.20	0
Security guards	14	11	21.40	0
Security officers	99	84	15.20	0
Senior managers	228	159	30.30	9
Social sciences related	61	53	13.10	0
Social work and related professionals	9	7	22.20	0
Statisticians and related professionals	1	1	0	0
Trade labourers	912	717	21.40	0
Trade related	15	4	73.30	0
Trade / industry advisers & other related professions	6	6	0	0
Water plant and related operators	203	150	26.10	0
<b>Total</b>	<b>7980</b>	<b>6473</b>	<b>18.90</b>	<b>967</b>

### 3.3 Filling of SMS posts

**Table 3.3.1 SMS post information as on 31 March 2021**

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
	#	#	%	#	%
Director-General/ Head of Department	1	0	0	1	100
Salary Level 16	0	0	0	0	0
Salary Level 15	14	9	64.29	5	35.71
Salary Level 14	55	32	58.18	23	41.82
Salary Level 13	188	138	73.4	50	26.6
<b>Total</b>	<b>258</b>	<b>179</b>	<b>69.38</b>	<b>79</b>	<b>30.62</b>

**Table 3.3.2 SMS post information as on 30 September 2020**

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
	#	#	%	#	%
Director-General/ Head of Department	1	0	0	1	100
Salary Level 16	0	0	0	0	0
Salary Level 15	13	8	61.54	5	38.46
Salary Level 14	55	34	61.82	21	38.18
Salary Level 13	186	139	74.73	47	25.27
<b>Total</b>	<b>255</b>	<b>181</b>	<b>70.98</b>	<b>74</b>	<b>29.02</b>

**Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2020 to 31 March 2021**

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
	#	#	%	#	%
Director-General/ Head of Department	0	0	0	1	100
Salary Level 16	0	0	0	0	0
Salary Level 15	0	0	0	5	38.46
Salary Level 14	3	0	0	21	38.18
Salary Level 13	4	5	10.6%	47	25.27
<b>Total</b>	<b>7</b>	<b>5</b>	<b>10.6</b>	<b>74</b>	<b>29.02</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 2020 to 31 March 2021**

Reasons for vacancies not advertised within six months
Lack of funding resulted in most posts to be put in abeyance and only funded and natural attrition posts received attention and were thus advertised
The knock-on effects of COVID-19 (particularly the lockdown measures) impacted the advertisement of vacant SMS posts.
The review of the organisational structure in 2020 as there would be a migration of SMS members into vacant funded posts aligned with the revised structure
Reasons for vacancies not filled within six months
Despite the efforts made to fill the vacant posts within the period, delays due to non-availability of panel members and continuous postponements impact the turnaround times of filling posts.

**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 2020 to 31 March 2021**

Reasons for vacancies not advertised within six months
The managers responsible for the filling of posts are held accountable for any delays in the shortlisting and interviewing process and reports for such are submitted to top management weekly.
Reasons for vacancies not filled within six months
The managers responsible for the filling of posts are held accountable for any delays in the shortlisting and interviewing process and reports for such are submitted to top management weekly.



### 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 2020 to 31 March 2021**

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)	761	0	0	0	0	1	100
Skilled (Levels 3-5)	1902	0	0	0	0	4	100
Highly skilled production (Levels 6-8)	2672	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	2017	0	0	0	0	2	100
Senior Management Service Band A	180	0	0	0	0	0	0
Senior Management Service Band B	61	0	0	0	0	0	0
Senior Management Service Band C	11	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
Other	22	0	0	0	0	0	0
Contract (Levels 1-2)	26	0	0	0	0	0	0
Contract (Levels 3-5)	11	0	0	1	100	0	0
Contract (Levels 6-8)	155	0	0	0	0	0	0
Contract (Levels 9-12)	148	0	0	0	0	0	0
Contract Band A	5	0	0	0	0	0	0
Contract Band B	4	0	0	0	0	0	0
Contract Band C	2	0	0	0	0	0	0
Contract Band D	1	0	0	0	0	0	0
<b>Total</b>	<b>7 980</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>7</b>	<b>100</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 2020 to 31 March 2021**

Gender	African	Asian	Coloured	White	Total
Female	2	0	0	0	2
Male	1	0	0	0	1
<b>Total</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>

Employees with a disability	0
-----------------------------	---

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

**Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2019 to 31 March 2021**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Senior managers	1	15	16	Reappointment
Total number of employees whose salaries exceeded the level determined by job evaluation				1
Percentage of total employed				0

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 2020 to 31 March 2021**

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	1	1
Total	0	0	0	1	1

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. The 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 2020 to 31 March 2021**

Salary band	Number of employees at beginning of 1 April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
	#	#	#	%
Lower skilled (Levels 1-2)	593	25	7	1.20
Skilled (Levels 3-5)	1458	80	76	5.20
Highly skilled production (Levels 6-8)	2248	54	85	3.80
Highly skilled supervision (Levels 9-12)	1680	21	53	3.20
Senior Management Service Bands A	131	5	7	5.30
Senior Management Service Bands B	41	0	2	4.90
Senior Management Service Bands C	6	0	0	0
Senior Management Service Bands D	1	0	0	0
Other	20	1	0	0
Contract (Levels 1-2)	38	20	33	86.80
Contract (Levels 3-5)	39	47	67	171.80
Contract (Levels 6-8)	223	105	165	74.00
Contract (Levels 9-12)	123	88	57	46.30
Contract Band A	4	2	1	25
Contract Band B	5	1	2	40
Contract Band C	2	1	1	50
Contract Band D	0	2	1	0
<b>Total</b>	<b>6612</b>	<b>452</b>	<b>557</b>	<b>8.40</b>

**Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2020 to 31 March 2021**

Critical occupation	Number of employees at beginning of 1 April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
	#	#	#	%
Administrative related	460	74	95	20.70
Agricultural animal oceanography forestry & other sciences	3	0	0	0
Agriculture related	2	0	0	0
All artisans in the building metal machinery etc.	125	11	7	5.60
Appraisers-valuers and related professionals	1	0	0	0
Architects, town, and traffic planners	1	1	1	100
Artisan project and related superintendents	11	1	2	18.20
Auxiliary and related workers	344	2	16	4.70
Biologists, botanists, zoologists & related professionals	1	0	0	0
Building and other property caretakers	39	2	2	5.10
Bus and heavy vehicle drivers	9	0	0	0
Cartographers and surveyors	19	2	4	21.10
Cartographic surveying and related technicians	21	0	1	4.80
Chemical and physical science technicians	11	0	0	0
Civil engineering technicians	99	4	6	6.10
Cleaners in offices workshops hospitals etc.	112	2	6	5.40
Client information clerks (switchboard reception information clerks)	7	0	0	0
Communication and information related	27	2	1	3.70
Community development workers	72	1	1	1.40
Computer programmers	1	0	0	0
Computer system designers and analysts	1	0	0	0
Economists permanent	1	0	0	0
Electrical and electronics engineering technicians	4	1	1	25.00
Engineering sciences related	359	72	75	20.90
Engineers and related professionals	105	47	20	19
Farm hands and labourers	10	0	0	0
Finance and economics related	185	4	5	2.70
Financial and related professionals	21	0	2	9.50
Financial clerks and credit controllers	342	19	14	4.10
Food services aids and waiters	16	0	3	18.80
Food services workers	1	0	0	0

Critical occupation	Number of employees at beginning of 1 April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
	#	#	#	%
Forestry labourers	1	0	0	0
General legal administration & related professionals	13	1	0	0
Geologists, geophysicists, hydrologists & related professionals	157	14	6	3.80
Health sciences related	1	0	0	0
Horticulturists, foresters, agricultural & forestry technicians	1	0	0	0
Household and laundry workers	6	0	0	0
Household food and laundry services related	3	1	0	0
Housekeepers, laundry, and related workers	1	0	0	0
Human resources & organisational development & related professionals	27	3	2	7.40
Human resources clerks	123	6	2	1.60
Human resources related	111	7	11	9.90
Information technology related	32	3	4	12.50
Language practitioners, interpreters & other communicators	21	0	1	4.80
Legal related	1	0	1	100
Librarians and related professionals	2	0	0	0
Library mail and related clerks	35	0	2	5.70
Light vehicle drivers	66	2	5	7.60
Logistical support personnel	87	0	1	1.10
Material-recording and transport clerks permanent	136	2	2	1.50
Mechanical engineering technicians	10	3	3	30
Messengers, porters, and deliverers	55	0	5	9.10
Meteorologists statistical & related technicians	1	0	0	0
Mining geology & geophysical & related technicians	19	2	0	0
Motor vehicle drivers	10	0	3	30
Motorised farm and forestry plant operators	11	0	1	9.10
Natural sciences related permanent	387	58	68	17.60
Nature conservation and oceanographical related technicians	1	0	0	0
Operational planning	1	0	0	0
Other administrators & related clerks and organisers	416	50	67	16.10

Critical occupation	Number of employees at beginning of 1 April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
	#	#	#	%
Other administrative policy and related officers	76	0	2	2.60
Other information technology personnel	7	4	2	28.60
Other machine operators	5	0	1	20
Other occupations	895	3	43	4.80
Physicists	1	0	0	0
Quantity surveyors & related professional not classified elsewhere	2	0	0	0
Regulatory inspectors	27	0	2	7.40
Risk management and security services	80	1	3	3.80
Road workers	1	0	0	0
Safety health and quality inspectors	10	1	0	0
Secretaries & other keyboard operating clerks	148	7	2	1.40
Security guards	12	0	1	8.30
Security officers	90	0	3	3.30
Senior managers	159	10	13	8.20
Social sciences related	53	0	0	0
Social work and related professionals	7	0	0	0
Statisticians and related professionals	1	0	0	0
Trade labourers	727	27	30	4.10
Trade related	7	0	3	42.90
Trade/ industry advisers & other related professions	6	0	0	0
Water plant and related operators	153	2	6	3.90
<b>Total</b>	<b>6612</b>	<b>452</b>	<b>557</b>	<b>8.40</b>

#### Notes

- The core classification, as prescribed by the Department of Public Service Administration (DPSA), was used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
  - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available, or they are available but do not meet the applicable employment criteria;
  - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
  - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
  - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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 2020 to 31 March 2021**

Termination type	Number	% of total resignations
	#	%
Death	60	10.80
Resignation	74	13.30
Expiry of contract	305	54.80
Dismissal – operational changes	1	0.20
Dismissal – misconduct	2	0.40
Discharged due to ill-health	4	0.70
Retirement	111	19.90
<b>Total</b>	<b>557</b>	<b>100</b>
<b>Total number of employees who left as a % of total employment</b>		<b>8.60</b>

**Table 3.5.4 Promotions by critical occupation for the period 1 April 2020 to 31 March 2021**

Occupation	Employees on 1 April 2020	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
	#	#	%	#	%
Administrative related	460	11	2.40	294	63.90
Agricultural animal oceanography forestry & other sciences	3	0	0	2	66.70
Agriculture related	2	0	0	2	100
All artisans in the building metal machinery etc.	125	2	1.60	67	53.60
Appraisers-valuers and related professionals	1	0	0	1	100
Architects, town, and traffic planners	1	0	0	0	0
Artisan project and related superintendents	11	0	0	6	54.50
Auxiliary and related workers	344	1	0.30	179	52.00
Biologists, botanists, zoologists & related professionals	1	0	0	0	0
Building and other property caretakers	39	0	0	20	51.30
Bus and heavy vehicle drivers	9	0	0	2	22.20
Cartographers and surveyors	19	0	0	9	47.40
Cartographic surveying and related technicians	21	0	0	14	66.70
Chemical and physical science technicians	11	0	0	7	63.60
Civil engineering technicians	99	2	2	43	43.40
Cleaners in offices workshops hospitals etc.	112	1	0.90	60	53.60
Client information clerks (switchboard reception information clerks)	7	0	0	6	85.70
Communication and information related	27	0	0	19	70.40
Community development workers	72	3	4.20	44	61.10
Computer programmers.	1	0	0	0	0
Computer system designers and analysts.	1	0	0	1	100
Economists	1	0	0	0	0
Electrical and electronics engineering technicians	4	0	0	1	25
Engineering sciences related	359	3	0.80	113	31.50
Engineers and related professionals	105	6	5.70	31	29.50
Farm hands and labourers	10	0	0	7	70
Finance and economics related	185	4	2.20	143	77.30



Occupation	Employees on 1 April 2020	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
	#	#	%	#	%
Financial and related professionals	21	0	0	10	47.60
Financial clerks and credit controllers	342	8	2.30	234	68.40
Food services aids and waiters	16	0	0	12	75
Food services workers	1	0	0	1	100
Forestry labourers	1	0	0	0	0
General legal administration & related professionals	13	0	0	8	61.50
Geologists, geophysicists, hydrologists & related professionals	157	0	0	115	73.20
Health sciences related	1	0	0	0	0
Horticulturists, foresters, agriculture & forestry technicians	1	0	0	1	100
Household and laundry workers	6	0	0	4	66.70
Household food and laundry services related	3	0	0	2	66.70
Housekeepers, laundry, and related workers	1	0	0	1	100
Human resources & organisational development & related professions	27	0	0	16	59.30
Human resources clerks	123	0	0	79	64.20
Human resources related	111	3	2.70	74	66.70
Information technology related	32	0	0	21	65.60
Language practitioners, interpreters & other communicators	21	1	4.80	14	66.70
Legal related	1	0	0	0	0
Librarians and related professionals	2	0	0	1	50
Library mail and related clerks	35	0	0	28	80
Light vehicle drivers	66	0	0	33	50
Logistical support personnel	87	1	1.10	64	73.60
Material-recording and transport clerks	136	3	2.20	96	70.60
Mechanical engineering technicians	10	0	0	2	20
Messengers, porters, and deliverers	55	0	0	43	78.20
Meteorologists statistical & related technicians	1	0	0	0	0
Mining geology & geophysical & related technicians	19	1	5.30	11	57.90
Motor vehicle drivers	10	0	0	3	30
Motorised farm and forestry plant operators	11	0	0	1	9.10
Natural sciences related	387	8	2.10	205	53.00

Occupation	Employees on 1 April 2020	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
	#	#	%	#	%
Nature conservation and oceanographical related technicians	1	0	0	1	100.00
Operational planning	1	0	0	1	100
Other administrators & related clerks and organisers	416	5	1.20	257	61.80
Other administrative policy and related officers	76	2	2.60	53	69.70
Other information technology personnel.	7	0	0	3	42.90
Other machine operators	5	0	0	4	80
Other occupations	895	0	0	1	0.10
Physicists	1	0	0	1	100
Quantity surveyors & related professions not class elsewhere	2	0	0	1	50
Regulatory inspectors	27	0	0	21	77.80
Risk management and security services	80	0	0	33	41.30
Road workers	1	0	0	1	100
Safety health and quality inspectors	10	0	0	9	90
Secretaries & other keyboard operating clerks	148	1	0.70	97	65.50
Security guards	12	0	0	9	75
Security officers	90	0	0	47	52.20
Senior managers	159	3	1.90	2	1.30
Social sciences related	53	1	1.90	41	77.40
Social work and related professionals	7	0	0	5	71.40
Statisticians and related professionals	1	0	0	0	0
Trade labourers	727	11	1.50	392	53.90
Trade related	7	0	0	2	28.60
Trade/ industry advisers & other related profession	6	0	0	3	50
Water plant and related operators	153	3	2	83	54.20
<b>Total</b>	<b>6612</b>	<b>84</b>	<b>1.30</b>	<b>3217</b>	<b>48.70</b>

**Table 3.5.5 Promotions by salary band for the period 1 April 2020 to 31 March 2021**

Salary band	Employees on 1 April 2020	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)	593	0	0	246	41.50
Skilled (Levels 3-5)	1457	20	1.40	809	55.50
Highly skilled production (Levels 6-8)	2248	25	1.10	1211	53.90
Highly skilled supervision (Levels 9-12)	1680	30	1.80	929	55.30
Senior management (Level 13-16)	179	4	2.20	0	0
Other	21	0	0	0	0
Contract (Levels 1-2)	38	0	0	0	0
Contract (Levels 3-5)	39	0	0	0	0
Contract (Levels 6-8)	223	0	0	9	4.00
Contract (Levels 9-12)	123	5	4.10	13	10.60
Contract (Levels 13-16)	11	0	0	0	0
<b>Total</b>	<b>6612</b>	<b>84</b>	<b>1.30</b>	<b>3217</b>	<b>48.70</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 2021**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior officials and managers	71	3	9	10	53	2	3	9	160
Professionals	506	27	24	132	488	31	18	35	1261
Technicians and associate professionals	637	55	19	63	616	22	21	57	1490
Clerks	312	18	5	14	678	51	14	85	1177
Service shop and market sales workers	139	2	1	4	55	2	0	1	204
Craft and related trades workers	110	5	1	14	14	0	0	0	144
Plant and machine operators and assemblers	711	63	4	95	150	18	3	45	1089
Labourers and related workers	621	53	0	5	256	13	0	0	948
<b>Total</b>	<b>3107</b>	<b>226</b>	<b>63</b>	<b>337</b>	<b>2310</b>	<b>139</b>	<b>59</b>	<b>232</b>	<b>6473</b>
Employees with disabilities	30	2	0	9	30	1	2	4	78

**Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2021**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	2	0	1	0	4	0	0	0	7
Senior management	78	3	9	8	58	2	3	10	171
Professionally qualified and experienced specialists and mid-management	731	52	28	212	536	27	24	70	1680
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	890	56	10	64	946	73	22	137	2198
Semi-skilled and discretionary decision making	883	87	6	10	457	19	7	9	1478
Unskilled and defined decision making	384	16	0	0	176	11	0	0	587
Contract (top management)	1	0	1	1	0	0	0	0	3
Contract (senior management)	6	0	0	1	1	0	0	1	9
Contract (professionally qualified)	49	8	6	29	45	4	3	4	148
Contract (skilled technical)	70	4	2	12	63	3	0	1	155
Contract (semi-skilled)	1	0	0	0	10	0	0	0	11
Contract (unskilled)	12	0	0	0	14	0	0	0	26
<b>Total</b>	<b>3107</b>	<b>226</b>	<b>63</b>	<b>337</b>	<b>2310</b>	<b>139</b>	<b>59</b>	<b>232</b>	<b>6473</b>

**Table 3.6.3 Recruitment for the period 1 April 2019 to 31 March 2021**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	2	0	0	0	3	0	0	0	5
Professionally qualified and experienced specialists and mid-management	9	1	2	1	8	0	0	0	21
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	24	1	1	1	27	0	0	0	54
Semi-skilled and discretionary decision making	42	0	1	0	38	0	0	0	81
Unskilled and defined decision making	16	0	0	0	9	0	0	0	25
Contract (top management)	0	0	1	2	0	0	0	0	3
Contract (senior management)	2	0	0	0	1	0	0	0	3
Contract (professionally qualified)	21	7	2	21	27	4	3	3	88
Contract (skilled technical)	43	3	2	3	54	0	0	0	105
Contract (semi-skilled)	15	1	0	0	31	0	0	0	47
Contract (unskilled)	6	0	0	0	14	0	0	0	20
<b>Total</b>	<b>180</b>	<b>13</b>	<b>9</b>	<b>28</b>	<b>212</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>452</b>
Employees with disabilities	4	0	0	0	4	0	0	0	8

**Table 3.6.4 Promotions for the period 1 April 2020 to 31 March 2021**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior management	1	0	0	0	3	0	0	0	4
Professionally qualified and experienced specialists and mid-management	406	15	19	79	380	15	15	30	959
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	417	19	6	27	628	46	16	77	1236
Semi-skilled and discretionary decision making	493	38	2	9	271	9	3	4	829
Unskilled and defined decision making	173	7	0	0	62	4	0	0	246
Contract (professionally qualified)	4	0	1	7	4	0	1	1	18
Contract (skilled technical)	5	0	0	1	3	0	0	0	9
<b>Total</b>	<b>1499</b>	<b>79</b>	<b>28</b>	<b>123</b>	<b>1351</b>	<b>74</b>	<b>35</b>	<b>112</b>	<b>3301</b>
Employees with disabilities	15	2	0	7	20	1	2	1	48

**Table 3.6.5 Terminations for the period 1 April 2020 to 31 March 2021**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior management	3	0	0	1	5	0	0	0	9
Professionally qualified and experienced specialists and mid-management	22	3	1	14	9	0	0	4	53
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	44	1	0	3	25	1	2	9	85
Semi-skilled and discretionary decision making	49	9	2	3	9	3	0	1	76
Unskilled and defined decision making	5	0	0	0	2	0	0	0	7
Contract (top management)	0	0	1	1	0	0	0	0	2
Contract (senior management)	2	0	0	0	1	0	0	0	3
Contract (professionally qualified)	16	3	1	6	25	0	3	3	57
Contract (skilled technical)	71	5	4	2	83	0	0	0	165
Contract (semi-skilled)	26	2	0	0	39	0	0	0	67
Contract (unskilled)	7	0	0	0	26	0	0	0	33
<b>Total</b>	<b>245</b>	<b>23</b>	<b>9</b>	<b>30</b>	<b>224</b>	<b>4</b>	<b>5</b>	<b>17</b>	<b>557</b>
Employees with Disabilities	7	1	0	0	2	0	0	1	11



**Table 3.6.6 Disciplinary action for the period 1 April 2020 to 31 March 2021**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	7	0	0	1	1	0	0	0	9
<b>Total</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>

**Table 3.6.7 Skills development for the period 1 April 2020 to 31 March 2021**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials, and managers	15	0	2	2	9	1	0	0	29
Professionals	216	9	27	37	242	20	11	21	583
Technicians and associate professionals	2946	184	34	294	2017	129	52	211	5867
Clerks	235	26	4	7	376	43	16	25	732
Service and sales workers	143	3	5	0	22	0	0	0	173
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	123	9	5	6	58	2	1	0	204
Plant and machine operators and assemblers	4	0	0	0	0	0	0	0	4
Elementary occupations	217	24	0	3	30	5	3	0	282
<b>Total</b>	<b>3899</b>	<b>255</b>	<b>77</b>	<b>349</b>	<b>2754</b>	<b>200</b>	<b>83</b>	<b>257</b>	<b>7874</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

### 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 2020**

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
	#	#	#	%
Director-General/ Head of Department	1	0	0	0
Salary Level 16	1	1	0	0
Salary Level 15	13	8	0	0
Salary Level 14	53	43	29	67
Salary Level 13	186	144	139	97
<b>Total</b>	<b>254</b>	<b>196</b>	<b>168</b>	<b>85.7</b>

**Table 3.7.2 Reasons for not having concluded performance agreements for all SMS members as on 31 May 2020**

Reasons
Late submission and poor compliance due to lockdown as a result of the COVID-19 pandemic.
The submission timeframes were also extended to July 2020

#### Notes

- The reporting date in the heading of this table is aligned with that of Table 3.7.1.

**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 May 2020**

Reasons
No disciplinary measures were taken as the submission timeframes were extended to July 2020.

#### Notes

- The reporting date in the heading of this table is aligned with that of Table 3.7.1.

### 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 2020 to 31 March 2021**

Race and gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost	Average cost per employee
	#	#	%	(R'000)	(R)
African	1156	5357	21.58	17 484.16	15 125.00
Male	545	3077	17.70	8 041.22	14 755.00
Female	611	2280	26.80	9 442.94	15 455.00
Asian	26	120	21.67	636.95	24 498.00
Male	10	63	15.90	299.24	29 924.00
Female	16	57	28.10	337.71	21 107.00
Coloured	56	362	15.47	770.35	13 756.00
Male	27	224	12.10	326.43	12 090.00
Female	29	138	21.00	443.92	15 308.00
White	122	556	21.94	2 785.43	22 831.00
Male	52	328	15.90	1 429.55	27 491.00
Female	70	228	30.70	1 355.88	19 370.00
Employees with disabilities	19	78	24.40	255.94	13 471.00
<b>Total</b>	<b>1379</b>	<b>6473</b>	<b>21.30</b>	<b>21 932.83</b>	<b>15 905.00</b>

**Table 3.8.2 Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2020 to 31 March 2021**

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	Average cost per employee	
	#	#	%	(R'000)	(R)	%
Lower skilled (Levels 1-2)	98	587	16.70	570.25	5 819.00	2.61
Skilled (Levels 3-5)	353	1456	24.20	2 981.11	8 445.00	13.65
Highly skilled production (Levels 6-8)	544	2198	24.70	7 746.59	14 240.00	35.47
Highly skilled supervision (Levels 9-12)	371	1680	22.10	10 369.52	27 950.00	47.48
Other	0	22	0	0.00	0.00	0
Contract (Levels 1-2)	0	26	0	0.00	0.00	0
Contract (Levels 3-5)	0	11	0	0.00	0.00	0
Contract (Levels 6-8)	2	155	1.30	29.00	14 498.00	0.13
Contract (Levels 9-12)	8	148	5.40	143.29	17 912.00	0.66
<b>Total</b>	<b>1376</b>	<b>6283</b>	<b>21.90</b>	<b>21 839.77</b>	<b>15 872.00</b>	<b>100</b>

**Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2020 to 31 March 2021**

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost	Average cost per employee
	#	#	%	(R'000)	(R)
Administrative related	136	446	30.50	2 862.20	21 046.00
Agricultural animal oceanography forestry & other sciences	0	3	0	0.00	0.00
Agriculture related	0	2	0	0.00	0.00
All artisans in the building metal machinery etc.	34	133	25.60	444.39	13 070.00
Appraisers-valuers and related professionals	1	1	100	49.76	49 764.00
Architects, town, and traffic planners	0	1	0	0.00	0.00
Artisan project and related superintendents	4	7	57.10	45.03	11 259.00
Auxiliary and related workers	36	326	11	337.29	9 369.00
Biologists, botanists, zoologists & related professionals	0	1	0	0.00	0.00
Building and other property caretakers	10	39	25.60	53.55	5 355.00
Bus and heavy vehicle drivers	1	9	11.10	7.50	7 497.00
Cartographers and surveyors	6	17	35.30	108.72	18 120.00
Cartographic surveying and related technicians	3	20	15	47.34	15 779.00
Chemical and physical science technicians	1	11	9.10	22.90	22 902.00
Civil engineering technicians	16	98	16.30	415.69	25 981.00
Cleaners in offices workshops hospitals etc.	28	106	26.40	188.82	6 744.00
Client information clerks (switchboard reception information clerks)	3	7	42.90	25.79	8 597.00
Communication and information related	6	28	21.40	168.31	28 052.00
Community development workers	11	71	15.50	220.00	20 000.00
Computer programmers.	0	1	0	0.00	0.00
Computer system designers and analysts.	1	1	100	27.55	27 548.00
Economists	0	1	0	0.00	0.00
Electrical and electronics engineering technicians	0	4	0	0.00	0.00

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost	Average cost per employee
	#	#	%	(R'000)	(R)
Engineering sciences related	29	353	8.20	859.42	29 635.00
Engineers and related professionals	12	134	9	268.38	22 365.00
Farm hands and labourers	2	10	20	9.89	4 946.00
Finance and economics related	80	186	43	1 893.55	23 669.00
Financial and related professionals	7	20	35	198.44	28 348.00
Financial clerks and credit controllers	122	344	35.50	1 765.66	14 473.00
Food services aids and waiters	14	13	107.70	115.43	8 245.00
Food services workers	1	1	100	14.09	14 088.00
Forestry labourers	0	1	0	0.00	0.00
General legal administration & related professionals	2	14	14.30	53.09	26 546.00
Geologists, geophysicists, hydrologists & related professions	31	159	19.50	712.32	22 978.00
Health sciences related	0	1	0	0.00	0.00
Horticulturists, foresters, agriculture & forestry technicians	0	1	0	0.00	0.00
Household and laundry workers	3	6	50	16.70	5 565.00
Household food and laundry services related	1	4	25	9.84	9 836.00
Housekeepers, laundry, and related workers	1	1	100	9.00	9 003.00
Human resources & organisational development & related professions	12	27	44.40	290.28	24 190.00
Human resources clerks	60	124	48.40	775.16	12 919.00
Human resources related	49	108	45.40	1 182.73	24 137.00
Information technology related	9	31	29	165.15	18 350.00
Language practitioners, interpreters & other communicators	5	21	23.80	104.26	20 852.00
Librarians and related professionals	0	2	0	0.00	0.00
Library mail and related clerks	18	34	52.90	238.64	13 258.00
Light vehicle drivers	21	61	34.40	162.68	7 747.00
Logistical support personnel	33	86	38.40	577.11	17 488.00

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost	Average cost per employee
	#	#	%	(R'000)	(R)
Material-recording and transport clerks	35	133	26.30	452.27	12 922.00
Mechanical engineering technicians	0	10	0	0.00	0.00
Messengers, porters, and deliverers	27	51	52.90	206.90	7 663.00
Meteorologists statistical & related technicians	0	1	0	0.00	0.00
Mining geology & geophysical & related technicians	3	21	14.30	58.80	19 599.00
Motor vehicle drivers	2	6	33.30	14.85	7 423.00
Motorised farm and forestry plant operators	4	10	40	33.49	8 373.00
Natural sciences related	58	377	15.40	1 431.92	24 688.00
Nature conservation and oceanographical related technicians	0	1	0	0.00	0.00
Operational planning	0	1	0	0.00	0.00
Other administration & related clerks and organisers	125	387	32.30	1 541.70	12 334.00
Other administrative policy and related officers	29	75	38.70	501.55	17 295.00
Other information technology personnel.	1	9	11.10	35.83	35 831.00
Other machine operators	2	4	50	16.78	8 389.00
Other occupations	4	853	0.50	69.01	17 253.00
Physicists	0	1	0	0.00	0.00
Quantity surveyors & related professions not classified elsewhere	1	2	50	40.97	40 969.00
Regulatory inspectors	7	24	29.20	139.85	19 979.00
Risk management and security services	19	78	24.40	264.99	13 947.00
Road workers	0	1	0	0.00	0.00
Safety health and quality inspectors	3	11	27.30	43.33	14 444.00
Secretaries & other keyboard operating clerks	57	150	38	821.74	14 416.00
Security guards	8	11	72.70	63.26	7 907.00
Security officers	22	84	26.20	203.86	9 266.00
Senior managers	3	159	1.90	93.07	31 022.00
Social sciences related	10	53	18.90	269.82	26 982.00

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost	Average cost per employee
	#	#	%	(R'000)	(R)
Social work and related professionals	3	7	42.90	62.41	20 805.00
Statisticians and related professionals	0	1	0	0.00	0.00
Trade labourers	111	717	15.50	753.24	6 786.00
Trade related	3	4	75	37.66	12 553.00
Trade/industry advisers & other related professions	1	6	16.70	28.98	28 982.00
Water plant and related operators	32	150	21.30	299.91	9 372.00
<b>Total</b>	<b>1379</b>	<b>6473</b>	<b>21.30</b>	<b>21 932.83</b>	<b>15 905.00</b>

#### Notes

- The CORE classification, as prescribed by the DPSA, were used for completion of this table.

Critical occupations are defined as occupations or sub-categories within an occupation –

- in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available, or they are available but do not meet the applicable employment criteria;
- for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.



**Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2020 to 31 March 2021**

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	Average cost per employee	
	#	#	%	(R'000)	(R)	%
Band A	3	137	2.20	93.07	31 022.10	0.10
Band B	0	43	0	0.00	0.00	0
Band C	0	8	0	0.00	0.00	0
Band D	0	2	0	0.00	0.00	0
<b>Total</b>	<b>3</b>	<b>190</b>	<b>1.60</b>	<b>93.07</b>	<b>31 022.10</b>	<b>0.00</b>

### 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 2020 to 31 March 2021**

Salary band	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
Highly skilled production (Levels 6-8)	3	10.30	2	3.90	-1	-4.50
Highly skilled supervision (Levels 9-12)	20	69	43	84.30	23	104.50
Senior management (Levels 13 – 16)	6	20.70	6	11.80	0	0
<b>Total</b>	<b>29</b>	<b>100</b>	<b>51</b>	<b>100</b>	<b>22</b>	<b>100</b>

**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2020 to 31 March 2021**

Major occupation	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% change
Administrative office workers	4	13.80	4	7.80	0	0
Other occupations	2	6.90	2	3.90	0	0
Information technology personnel	1	3.40	1	2	0	0
Professionals and managers	20	69	42	82.40	22	100
Technicians and associated professionals	2	6.90	2	3.90	0	0
<b>Total</b>	<b>29</b>	<b>100</b>	<b>51</b>	<b>100</b>	<b>22</b>	<b>100</b>

### 3.10 Leave utilisation

The Public Service Commission (PSC) 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 2020 to 31 December 2021**

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)	1464	88	271	9	5	879.00
Skilled (Levels 3-5)	3605	86.10	670	22.30	5	2 807.00
Highly skilled production (Levels 6-8)	7809	88.10	1139	37.90	7	8 829.00
Highly skilled supervision (Levels 9 -12)	5416	88.60	740	24.60	7	11 067.00
Senior management (Levels 13-16)	253	87.40	53	1.80	5	1 147.00
Contract (Level 1-2)	34	50	15	0.50	2	19.00
Contract (Levels 3-5)	40	55	13	0.40	3	37.00
Contract (Levels 6-8)	188	64.40	67	2.20	3	262.00
Contract (Levels 9 -12)	132	72	38	1.30	3	331.00
Contract (Levels 13-16)	8	75	2	0.10	4	3.00
Contract other	34	50	15	0.50	2	19.00
<b>Total</b>	<b>18949</b>	<b>87.40</b>	<b>3008</b>	<b>100</b>	<b>6</b>	<b>25 381.00</b>

**Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2021 to 31 December 2021**

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)	102	100.00	4	8.30	26	61.00
Skilled (Levels 3-5)	121	100.00	8	16.70	15	106.00
Highly skilled production (Levels 6-8)	417	100.00	25	52.10	17	658.00
Highly skilled supervision (Levels 9-12)	311	100.00	11	22.90	28	887.00
<b>Total</b>	<b>951</b>	<b>100.00</b>	<b>48</b>	<b>100.00</b>	<b>20</b>	<b>1 711.00</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 2020 to 31 December 2021**

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skills (Level 1-2)	9945	590	17
Skilled (Levels 3-5)	25211	1486	17
Highly skilled production (Levels 6-8)	38610	2288	17
Highly skilled supervision (Levels 9 -12)	29050	1723	17
Senior management (Levels 13-16)	2942	185	16
Contract (Level 1-2)	381	37	10
Contract (Levels 3-5)	331	229	9
Contract (Levels 6-8)	2592	130	11
Contract (Levels 9 -12)	1536	37	12
Contract (Levels 13-16)	69	8	9
Contract other	123	15	8
<b>Total</b>	<b>110790</b>	<b>6731</b>	<b>16</b>

**Table 3.10.4 Capped leave for the period 1 January 2020 to 31 December 2021**

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 2021
Lower skills (Level 1-2)	0	1	0	42
Skilled (Levels 3-5)	15	5	3	62
Highly skilled production (Levels 6-8)	10	4	3	70
Highly skilled supervision (Levels 9 -12)	0	0	0	58
Senior management (Levels 13-16)	0	0	0	59
Contract (Level 1-2)	0	0	0	0
Contract (Levels 3-5)	0	0	0	0
Contract (Levels 6-8)	0	0	0	0
Contract (Levels 9 -12)	0	0	0	0
Contract (Levels 13-16)	0	0	0	0
Contract other	0	0	0	0
<b>Total</b>	<b>25</b>	<b>10</b>	<b>3</b>	<b>64</b>

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

**Table 3.10.5 Leave pay-outs for the period 1 April 2020 to 31 March 2021**

Reason	Total amount	Number of employees	Average per employee
	(R'000)	#	(R)
Annual - discounting with resignation (workdays)	1 795	64	28047
Annual - discounting: contract expiry (workdays)	88	5	17600
Annual - discounting: unused vacation credits (workdays)	70	2	35000
Annual - gratuity: death/ retirement/ medical retirement (workdays)	2 517	76	33118
Capped - gratuity: death/retirement/ medical retirement (workdays)	7 599	69	110130
Other - discounting Water & Sanitation construct with served term	406	6	67667
Other - discounting Water & Sanitation construct with transfer	1 820	47	38723
Other - discounting: Water & Sanitation: =>55 year (calendar day)	248	5	49600
Other - gratuity (general) (calendar days)	2 660	27	98519
<b>Total</b>	<b>17 203</b>	<b>301</b>	<b>57153</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
None	N / A

**Table 3.11.2 Details of health promotion and HIV/AIDS programmes**

Question	Yes	No	Details, if yes
1 Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/ his name and position.	X		Director: Organisational Development (Mr Sam Moyi)
2 Does the Department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		2 EH&W professionals in national office, and 1 EH&W coordinator for each regional office.  No budget allocation for this service.
3 Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		<ul style="list-style-type: none"> <li>• HIV, TB &amp; AIDS management;</li> <li>• Health and productivity management;</li> <li>• Wellness management;</li> <li>• Safety, health, environment, and risk management (health risk assessments, health promotion and education: chronic disease management; psychosocial support services (inclusive of trauma debriefing and diffusion) and referral; policy development; EH&amp;W marketing, promotion and capacity building; M&amp;E services).</li> </ul>
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.	X		Mr Sam Moyi, Ms Anna Moabelo and Mr Reuben Maruma, Mr Eric Ramaswe and Ms Tumi Mpshe.  The rest of the members have since left the Department.
5 Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		The approved HIV& AIDS and TB Management policy addresses issues of stigma and non-discrimination of HIV positive employees. It goes further to mention steps to be taken if there is transgression on these policy elements.
6 Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Policy protects HIV+ employees from discrimination. Disciplinary action to be taken against those who disregard this section of the policy.

	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.	X		HIV Counselling & Testing (HCT) is provided through GEMS wellness days which are hosted on DWS premises. Due to COVID-19 restrictions, this service was suspended for the reporting period.
8	Has the Department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	X		Feedback sessions are held, and questionnaires completed after wellness days, campaigns, and health talks.

### 3.12 Labour relations

**Table 3.12.1 Collective agreements for the period 1 April 2020 to 31 March 2021**

Total number of collective agreements	None
---------------------------------------	------

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

**Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2020 to 31 March 2021**

Outcomes of disciplinary hearings	Number	% of total
Dismissal	2	22.22
Final written warning and suspension without pay	7	77.78
Final written warning	0	0
Written warning	0	0
Demotion	0	0
<b>Total</b>	<b>9</b>	<b>100</b>

**Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2020 to 31 March 2021**

Type of misconduct	Number	% of total
Misuse of state vehicle	2	22.22
Dishonesty	0	0
Insubordination	0	0
Fraud	1	11.11
Financial mismanagement/ unauthorised expenditure	0	0
Fighting	0	0
Possession of dangerous weapon	0	0
Theft	2	22.22
Negligence	3	33.33
Absenteeism	1	11.11
Bringing the name of the Department into disrepute	0	0
<b>Total</b>	<b>9</b>	<b>100.00</b>

**Table 3.12.4 Grievances logged for the period 1 April 2020 to 31 March 2021**

Grievances	Number	% of total
Number of grievances resolved	20	27.03
Number of grievances not resolved	54	72.97
<b>Total number of grievances lodged</b>	<b>74</b>	<b>100</b>

**Table 3.12.5 Disputes logged with Councils for the period 1 April 2020 to 31 March 2021**

Disputes	Number	% of total
Number of disputes resolved	12	50
Number of disputes not resolved	12	50
<b>Total number of disputes lodged</b>	<b>24</b>	<b>100</b>

**Table 3.12.6 Strike actions for the period 1 April 2020 to 31 March 2021**

Strike actions	None
----------------	------

**Table 3.12.7 Precautionary suspensions for the period 1 April 2020 to 31 March 2021**

Number of people suspended	5
Number of people whose suspension exceeded 30 days	4
Average number of days suspended	150 days
Cost of suspension (R)	495 158.41

### 3.13 Skills development

This section highlights the efforts of the Department regarding skills development.

**Table 3.13.1 Training needs identified for the period 1 April 2020 to 31 March 2021**

Occupational category	Gender	Number of employees as at 1 April 2020	Training needs identified on 01 April 2020			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials, and managers	Female	67	0	10	0	10
	Male	93	0	19	0	19
Professionals	Female	572	0	294	0	294
	Male	689	0	289	0	289
Technicians and associate professionals	Female	716	0	2409	0	2409
	Male	774	0	3458	0	3458
Clerks	Female	828	0	460	0	460
	Male	349	0	272	0	272
Service and sales workers	Female	58	0	22	0	22
	Male	146	0	151	0	151
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	14	0	61	0	61
	Male	130	0	143	0	143
Plant and machine operators and assemblers	Female	216	0	0	0	0
	Male	873	0	4	0	4
Elementary occupations	Female	269	0	38	0	38
	Male	679	0	244	0	244
Gender sub-totals	Female	2740	0	3294	0	3294
	Male	3733	0	4580	0	4580
<b>Total</b>		<b>6473</b>	<b>0</b>	<b>7874</b>	<b>0</b>	<b>7874</b>



**Table 3.13.2 Training provided for the period 1 April 2020 to 31 March 2021**

Occupational category	Gender	Number of employees as of 1 April 2020	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials, and managers	Female	67	0	4	0	4
	Male	93	0	6	0	6
Professionals	Female	572	0	4	0	4
	Male	689	0	5	0	5
Technicians and associate professionals	Female	716	0	38	0	38
	Male	774	0	37	0	37
Clerks	Female	828	0	26	0	26
	Male	349	0	4	0	4
Service and sales workers	Female	58	0	2	0	2
	Male	146	0	5	0	5
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	14	0	4	0	4
	Male	130	0	81	0	81
Plant and machine operators and assemblers	Female	216	0	0	0	0
	Male	873	0	68	0	68
Elementary occupations	Female	269	0	50	0	50
	Male	679	0	86	0	86
<b>Gender sub-totals</b>	<b>Female</b>	<b>2740</b>	<b>0</b>	<b>128</b>	<b>0</b>	<b>128</b>
	<b>Male</b>	<b>3733</b>	<b>0</b>	<b>292</b>	<b>0</b>	<b>292</b>
<b>Total</b>		<b>6473</b>	<b>0</b>	<b>420</b>	<b>0</b>	<b>420</b>

### 3.14 Injury on duty

The following tables provide basic information on injury on duty.

**Table 3.14.1 Injury on duty for the period 1 April 2020 to 31 March 2021**

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	100
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
<b>Total</b>	<b>1</b>	<b>100</b>

### 3.15 Utilisation of consultants

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

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) 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 2020 to 31 March 2021**

	Project title	Total number of consultants that worked on project	Duration (workdays)	Contract value in Rand
1	Development of operating rules for water supply and drought management of stand-alone dams, schemes, and integrated systems in the North Water Planning area for a period of 36 months	17	36 months	R10 991 598.00
2	Development of operating rules for water supply and drought management of stand-alone dams, schemes, and integrated systems in the East Water Planning area for a period of 36 months	13	36 months	R10 442 890.00
3	Development of operating rules for water supply and drought management of stand-alone dams, schemes, and integrated systems in the Central water planning area for a period of 36 months	11	36 months	R13 210 288.00
4	Development of operating rules for water supply and drought management of stand-alone dams, schemes, and integrated systems in the Southern Water Planning area for a period of 36 months	17	36 months	R9 482 644.70
5	Rendering support on the development, updating and review of strategies to reconcile water availability and requirements in South Planning Area comprising of the Western Cape, Amathole and Algoa Water Supply systems (WSS), and all other towns and clusters of the villages in South Planning Area	54	36 months	R17 249 095.00
6	Reserve determination study for selected surface water, groundwater, estuaries and wetlands in the F60 and G30 catchments within the Berg-Olifants Water Management Area (WMA 9)	20	24 months	R6 242 322.00
7	Undertake the study national water resource balances perspectives for South Africa	37	24 months	R13 135 081.50
8	Undertake the study for the provision of general modelling and water resource evaluation services for allocable water quantification and to support integrated water resource planning (Kouga, Baviaans, Gamtoos and Kromme rivers)	13	36 months	R7 653 977.03

	Project title	Total number of consultants that worked on project	Duration (workdays)	Contract value in Rand
9	Providing support on the development updating and review of strategies to reconcile water availability and requirement in the east planning area comprising water supply systems for Mbombela, Richards Bay, Mgeni and all other towns and clusters of villages	26	36 months	R14 340 581.00
10	Providing specialist support resources to drinking water quality and wastewater services regulation for assessment of water supply and wastewater treatment systems	45	24 months	R43 055 149.00
11	The study, development, updating and review of strategies to reconcile water availability and requirements in the North Planning Area comprising Mahikeng water supply system-upper Molopo sub-area Crocodile West Marico, Limpopo North, Luvuvu-Letaba and Olifants and all other towns and Clusters of villages	13	36 months	R10 310 555.00

Total number of projects	Total individual consultants	Total duration workdays	Total contract value in Rand
11	266	Equivalent to 9517 workdays	R 156 114 181.23

**Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2020 to 31 March 2021**

	Project title %	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
		%	#	
1	Development of operating rules for water supply and drought management of stand-alone dams, schemes, and integrated systems in the North Water Planning area for a period of 36 months	32.33	25	10
2	Development of operating rules for water supply and drought management of stand-alone dams, schemes, and integrated systems in the East Water Planning area for a period of 36 months	54.1	13.08	8
3	Development of operating rules for water supply and drought management of stand-alone dams, schemes, and integrated systems in the Central water planning area for a period of 36 months	42.80	14.87	4
4	Development of operating rules for water supply and drought management of stand-alone dams, schemes, and integrated systems in the Southern Water Planning area for a period of 36 months	53.44	13.22	8
5	Rendering support on the development, updating and review of strategies to reconcile water availability and requirements in South Planning Area comprising of the Western Cape, Amathole and Algoa Water Supply systems (WSS), and all other towns and clusters of the villages in South Planning Area	43.12	11.50	18
6	Reserve determination study for selected surface water, groundwater, estuaries, and wetlands in the F60 and G30 catchments within the Berg-Olifants Water Management Area (WMA 9)	0	3.51	9
7	Undertake the study national water resource balances perspectives for South Africa	51.07	10.29	24
8	Undertake the study for the provision of general modelling and water resource evaluation services for allocable water quantification and to support integrated water resource planning (Kouga, Baviaans, Gamtoos and Kromme rivers)	53.44	13.22	6
9	Providing support on the development updating and review of strategies to reconcile water availability and requirement in the east planning area comprising water supply systems for Mbombela, Richards Bay, Mgeni and all other towns and clusters of villages	52.24	14.53	13
10	Providing specialist support resources to drinking water quality and wastewater services regulation for assessment of water supply and wastewater treatment systems	100	-	27
11	The study, development, updating and review of strategies to reconcile water availability and requirements in the North Planning Area comprising Mahikeng water supply system-upper Molopo sub-area Crocodile West Marico, Limpopo North, Luvuvu-Letaba and Olifants and all other towns and Clusters of villages	100	-	6

### 3.16 Severance packages

**Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2020 to 31 March 2021**

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)	1	1	1	1
Senior management (Levels 13-16)	0	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>



# PART E: ANNUAL FINANCIAL STATEMENTS

FOR THE DEPARTMENT OF WATER  
AND SANITATION (VOTE 41)

## Table of Contents

<b>Appropriation Statement</b>	<b>204</b>
<b>Notes to the Appropriation Statement</b>	<b>252</b>
<b>Statement of Financial Performance</b>	<b>255</b>
<b>Statement of Financial Position</b>	<b>256</b>
<b>Statement of Changes in Net Assets</b>	<b>257</b>
<b>Cash Flow Statement</b>	<b>257</b>
<b>Notes to the Annual Financial Statements (including Accounting policies)</b>	<b>258</b>
<b>Annexures</b>	<b>321</b>



## 1 AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2021.

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act 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, which is reviewed annually, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Name	Qualifications	Internal or external	Date appointed	No. of Meetings attended
Dr Charles Motau	Doctor of Technology: Computer Science and Data Processing, Master's Degree in Business Leadership, Master's Degree in Information Technology, Bachelor of Commerce, Higher Diploma in Computer Auditing, Certificate in Information Technology Project Management, Certificate in Executive Leadership, Certificate in Human Resource Management	External	01 July 2020	5 of 5
Mr Sindile Faku	Master of Science Degree, Bachelor of Education, Bachelor of Arts, Senior Teachers Diploma, Human Resource Management Programme, Graduate Diploma in Company Direction, Housing Finance Course, Real Estate Qualification, Leadership in Local Government Certification	External	01 July 2020	5 of 5
Ms Nontlaza Sizani	Bachelor of Commerce Honors, Certificate in Accounting Theory (CTA), Post Graduate Diploma in Management, Bachelor of Commerce, Senior Secondary Teachers Diploma,	External	01 July 2020	5 of 5
Mr Japie Du Plessis	National Diploma in State Accounts and Finance, Registered Government Auditor,	External	1 April 2016 March 2020, Reappointed 01 July 2020 31 March 2022	5 of 5

### Audit Committee Members and Attendance

The Audit Committee comprises of four (4) independent members who have sufficient qualifications and experience to render the required Audit Committee function as stipulated in the committee terms of reference.

### The Effectiveness of Internal Control

The systems of internal control are designed to provide cost effective assurance in achieving the Department's objectives by ensuring that assets are safeguarded, operations are effective and efficient, financial and performance information is reliable and there is compliance with the laws and regulations.

The Audit Committee provided oversight on the operations and business activities of the Department through the quarterly reporting processes by Management as well as the internal audit reviews as prioritised in the approved risk-based Annual Audit Operational Plan. The systems of internal control within the Department were not entirely effective for the year under review and the Audit Committee is of the opinion that both the AGSA and Internal Audit findings should be addressed timely for effective and efficient systems of internal controls.

## Resolution of Internal Control Findings

The follow-up processes such as quarterly reporting on action plans performed by the Chief Directorate: Internal Audit and the Directorate: Internal Control indicated that Management needs to institute adequate corrective action to address control weaknesses identified. The Audit Committee requires management to improve the quality and timing of Management responses. The Audit Committee is continuously emphasising the importance that Management needs appropriately balancing delivery and continues improvement.

## Combined Assurance

The Audit Committee reviewed the plans and reports of the AGSA and IA and other assurance providers including Management, and concluded that these were adequate to address all significant financial risks facing the Department. The Office of the Chief Risk Officer in consultation with IA also developed the departmental Combined Assurance Strategy and Implementation Plan. The Plan was reviewed and implemented during the 2020/21 financial year. Feedback on the implementation of the Combined Assurance Plan is provided during the Quarterly Risk Management Meetings and reported to the Audit Committee quarterly by an Independent Chairperson of the Risk Management Committee.

## Internal Audit Effectiveness

In line with the PFMA and the King IV Report requirements relating to Public Sector, IA provides the Audit Committee and Management with assurance that the internal controls are appropriate and effective. This is achieved by means of an appropriate quarterly reporting process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

Internal Audit (IA) forms part of the third line of defence as set out in the Combined Assurance Strategy and engages with the first and second lines of defence to facilitate the escalation of key control weaknesses. The IA unit has a functional reporting line to the Audit Committee (and an administrative reporting line to the Acting DG. The Audit Committee, with respect to its evaluation of the adequacy and effectiveness of internal controls, receives reports from IA on a quarterly basis, assesses the effectiveness of IA function, and reviews and approves the IA Operation, Coverage and Three-Year Plans.

The Audit Committee is responsible for ensuring that the Department's IA function is independent and has the necessary resources, standing and authority within the Department to enable it to discharge its duties. The IA functions, IA Coverage and Three Year Rolling Plans were approved by the Audit Committee.

The Audit Committee monitored and challenged, where appropriate, actions taken by Management with regard to adverse IA findings. The Audit Committee has overseen a process by which IA has performed audits according to a risk-based audit plan where the effectiveness of the risk management and internal controls were evaluated. These evaluations were the main input considered by the Audit Committee in reporting on the effectiveness of internal controls. The Audit Committee is satisfied with the independence and effectiveness of the IA function.

The Audit Committee is concerned with current vacancies in the reporting financial year 2020/21 in senior management and the impact it has on the business of the Department. However, the Audit Committee has noted corrective measures instituted by the Acting DG to address this concern and related internal audit reported matters. The Department implemented certain of the recommendations made by the Audit Committee. The main concerning areas to the Audit Committee that require urgent management interventions are:

- Key vacancies -The instability at Director-General and Chief Financial Officer Levels must be attended to as a matter of urgency.
- Low performance achievements of strategic goals and indicators.
- Budget and financial management resulting in irregular and fruitless and wasteful expenditure.
- increased liquidity risk at the Department.

Several investigations were conducted/are in progress by the IA unit at the request of the Acting DG and/or the Minister arising from allegations against officials of the Department. The completed investigations resulted in recommendations for disciplinary and/or criminal proceeding to be instituted against the Department's officials concerned.

## Performance Information

The performance information was presented to the Audit Committee during the meeting of 27 May 2021. The Audit Committee supported the submission of the information. Quarterly auditing of performance information by the IA unit of all APP targets took place. An improvement was noted in this regard.

A major concern is the annual performance achievement of only 62% of the set targets, while the Department spent 85% of the approved budget for 2020/21 financial year.

## Risk Management

A separate Risk Management Committee, which is chaired by an independent Chairperson, monitors and oversees the control of risk identification throughout the Department. Feedback is also provided to the Audit Committee on a quarterly basis.

The Department assessed strategic and operational risks on a quarterly basis that could have an impact on the achievement of its objectives, both strategically and on a programme level. Risks were prioritised based on its likelihood and impact (inherently and residually) and additional mitigations were agreed upon to reduce risks to acceptable levels. New/emerging risks were identified during the quarterly review processes. Internal Audit also performed their own assessment of the risk environment of the Department and included the strategic and operational risks as part of this assessment.

## Governance and Ethics

The Department has adopted the corporate governance principles of the King Codes of Governance in South Africa applicable to the Public Sector. The Audit Committee continues to monitor the key governance interventions of the Department as required, however due to its nature there is a need for continued improvement in this area.

The focus on Ethics within the Department to imbed further enhancements of awareness and understanding of Ethics at all levels within the Department. Furthermore, the Department requires that all members of the Senior Management Services (SMS) complete a financial disclosure declarations.

## Information and Communication Technology (ICT) Governance

The Audit Committee reviewed the progress with respect to the ICT Governance in line with the ICT Policy Framework issued by the Department of Public Service and Administration.

Although there was progress on the ICT Internal Controls, the Audit Committee report its dissatisfaction with minimal progress made with the implementation of the Information Technology Steering Committee, Disaster Recovery Plan, the Business Continuity Plan. The Department also experienced a data breach during February 2020 and this continued in 2020/21 financial year when two servers were infected by a virus which may have gone undetected from the previous incident in 2020 and subsequently encrypted the files on the two servers. The virus was cleaned, and servers restored without negative impact on the data. This continued to be a high risk for the Department.

## Audit Committee Responsibility

The Audit Committee is pleased to report that it has complied with its responsibility arising from its terms of reference, including relevant legislative requirements. The Audit Committee and relevant stakeholders also completed an annual Audit Committee assessment to evaluate the efficiency and effectiveness of the Audit Committee.

For the financial year ended 31 March 2021, the Audit Committee reviewed:

- Quarterly Financial Statements and Performance Reports;
- Unaudited Annual Financial Statements before submission to the AGSA;
- Audited Annual Financial Statements to be included in the Annual Report;
- The AGSA's Audit Report, Management Report and Management's response thereto;
- The appropriateness of Accounting Policies and Procedures;

- The effectiveness of the system of Risk Management;
- Compliance with relevant laws and regulations;
- The system of ICT Governance;
- The audit plans and reports of IA and the AGSA. The Audit Committee also conducted separate meetings with the assurance providers; and
- The IA and Audit Committee Charters.

### In-Year Management and Monthly/Quarterly Report

The Department has been reporting on a monthly and quarterly basis to the National Treasury as required by the PFMA. The quarterly financial reports were also presented to the Audit Committee. The Audit Committee has reviewed the annual report of the Department to verify whether it is in line with the guidelines issued by the national treasury and to verify the accuracy of the performance information reported in this annual report. The Audit and Risk Committee has reviewed performance information and is satisfied that the information reported by the Department is accurate.

### Evaluation of Financial Statements

We reviewed the annual financial statements prepared by the Department and were are satisfied with the content and quality of certain of the financial and non-financial quarterly reports prepared and submitted by the Acting DG of the Department during the financial year under review and confirms that the reports were mostly in compliance with the statutory reporting framework. The Audit Committee had the opportunity to review the Annual Financial Statements and discussed it with Management. The Annual Financial Statements were presented to the AGSA on 27 and 31 May 2021.

#### The Audit Committee has the following comments:

- The Audit Committee is concerned about the regression from an unqualified audit opinion with findings on non-compliance with legislation in 2019/20 financial year to a qualified audit opinion in 2020/21. This is because the Department did not maintain sufficient evidence to support training and development costs that were paid to EWSeta, resulting in a qualified audit opinion.
- The Audit Committee is concerned about the material underspending on the budget of R2.492 billion as disclosed in the Appropriation Statement.
- The completeness of fruitless and wasteful and irregular expenditure -Improvement has been noted during the 2020/2021 financial year, however, this process would require renewed effort from Management with a specific focus on condonement processes to be followed in this regard. The system to identify irregular expenditure and the completeness of irregular expenditure should be strengthened.
- As mentioned in note 25.1 to the Annual Financial Statements the total irregular expenditure as at 31 March 2021 increased from R9.285 billion to R10.044 billion due to new irregular expenditure that was identified in the 2020/21 financial year. The rest of the irregular expenditure relates to prior year transactions and includes instances where Implementing Agents incurred irregular expenditure.
- Inadequate controls over appointments of contractors (including implementing agents of the Department) who do not follow supply chain management processes. This is mainly linked to projects procured in previous years that are still under construction.
- Predetermined Objectives -The Department is concerned with the regression in the quality of performance information that was submitted to the AGSA during the 2020/21 financial year. p
- Payables exceeded the payment term of 30 days. However, the internal controls have improved from the 2019/2020 to the 2020/2021 financial year.
- Historical Emergency projects. The Department does not have adequate project methodology including processes and procedures, resulting in the Department incurring irregular, fruitless and wasteful expenditure as well as non-compliance with the Division of Revenue Act (Act no. 3 of 2017) (DORA).
- Consequence management. Efforts to be strengthened to ensure the speedy resolution process and implementation of both Internal and AGSA recommendations.
- There has been a regression in the internal controls around finance and performance management as the AGSA reported that:

- Management did not adequately implement review and monitoring controls to prevent noncompliance with applicable laws and regulations relating to supply chain management.
- Management did not adequately review supporting documentation prior to payments to suppliers in certain instances.
- Management processes to perform proper reconciliations related to commitments were inadequate, resulting in material corrections to the financial statements.

The AGSA did not report any new Material irregularity. They were only following up on a material irregularity that was identified in the prior financial year and progress was noted in addressing the concerns raised by the AGSA.

The Audit Committee concurs and accepts the AGSA's conclusions on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements should be accepted and read together with the audit report of the AGSA.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

## Conclusion

The Audit Committee is concerned about the qualified audit opinion and with progress made by the Department in improving and progressing with the areas outlined in this report.

Management is positive in their commitment to good governance and a clean administration.

The Audit Committee noted non-compliance with prescribed policies and procedures up to 31 March 2021.

From observations, analyses and reports presented to the Audit Committee by Management and assurance providers, including Internal Audit and the AGSA, as well as the Audit Committee's evaluation of the Risk Management processes, the Audit Committee concludes that the systems of internal control tested were found to be inadequate and ineffective for certain of the areas tested.

These controls require further improvement and we have received assurance that the matter is being addressed. Attention has also been given in addressing prior years' concerns noted by the AGSA.

The Audit Committee wishes to express its appreciation to the Acting DG, Management of the Department, the AGSA and IA who assisted the Audit Committee in performing its functions effectively.



**Dr Charles Motau (AMBCI)**  
**Chairperson of the Audit Committee**  
**Department of the Water & Sanitation**

**Date: 06 June 2022**

## 2 REPORT OF THE AUDITOR GENERAL TO PARLIAMENT ON VOTE 41: DEPARTMENT OF WATER AND SANITATION

### Report on the audit of the financial statements

#### Qualified Opinion

- 1 I have audited the financial statements of the Department of Water and Sanitation set out on pages 204 to 320, which comprise the appropriation statement, statement of financial position as at 31 March 2021, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
- 2 In my opinion, except for the effect of the matter described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Department of Water and Sanitation as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2020 (Act No. 4 of 2020) (DoRA).

#### Basis for opinion

##### Training and Development and Payables not Recognised

- 3 I was unable to obtain sufficient appropriate audit evidence that training and development expenditure was properly accounted for as the department did not implement adequate internal controls to verify payments made to supporting evidence. I was unable to confirm the payments made by alternative means. Payables not recognised for goods and services include amounts related to these costs. Consequently, I was unable to determine whether any adjustment was necessary to training and development expenditure stated at R173 510 000 (2020: R313 820 000) in note 4 to the financial statements as well as payables not recognised for goods and services stated at R437 098 000 (2020: R510 338 000) as included in note 22.2 to the financial statements.

#### Context for opinion

- 4 I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
- 5 I am independent of the public entity 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.
- 6 I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

#### Emphasis of matters

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

#### Underspending the vote

- 8 As disclosed in the appropriation statement, the department materially underspent the budget by R2 492 million which included R95 million on programme 1, R104 million on programme 2, R2 238 million on programme 3 and R55 million on programme 4.

### Restatement of corresponding figures

- 9 As disclosed in note 33 to the financial statements, the corresponding figures for 31 March 2020 were restated as a result of errors in the financial statements of the department at, and for the year ended 31 March 2021.

### Other matter

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

### Unaudited supplementary schedules

- 11 The supplementary information set out on pages 321 to 354 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 accounting officer for the financial statements

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

### Auditor-general's responsibilities for the audit of the financial statements

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

## Report on the audit of the annual performance report

### Introduction and scope

- 16 In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
- 17 My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
- 18 I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the department for the year ended 31 March 2021:



Programmes	Pages in the annual performance report
Programme 3 – Water Infrastructure Development	70-102

- 19 I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
- 20 I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme.

#### Other matters

- 21 I draw attention to the matter below.

#### Achievement of planned targets

- 22 Refer to the annual performance report on pages 52 to 110 for information on the achievement of planned targets for the year and explanations provided for the under achievement of a significant number of targets.

#### Adjustment of material misstatement

- 23 I identified a material misstatement in the annual performance report submitted for auditing. This material misstatement was on the reported performance information of Water Infrastructure Development. As management subsequently corrected the misstatement, I did not raise any material findings on the usefulness and reliability of the reported performance information.

### Report on the audit of compliance with legislation

#### Introduction and scope

- 24 In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
- 25 The material findings on compliance with specific matters in key legislation are as follows:

#### Annual financial statements

- 26 The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1) (a) and (b) of the PFMA. Material misstatements of expenditure and disclosure items identified by the auditors in the submitted financial statements were corrected, but the some supporting records that could not be provided relating to expenditure resulted in the financial statements receiving a qualified opinion.

#### Expenditure management

- 27 Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R264 622 000 disclosed in note 25.1 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by deviations from normal procurement processes which were not justifiable, extension of contracts without prior approval by the delegated official and payments exceeding the commitment value of contracts. Of the total irregular expenditure, R81 million related to the Mopani emergency water and wastewater intervention.

#### Consequence management

- 28 I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to various investigations still in progress at the end of the financial year.



- 29 I was also unable to obtain sufficient appropriate audit evidence that investigations were conducted into all allegations of financial misconduct committed by officials, as required by treasury regulation 4.1.1. This was due to various investigations still in progress at the end of the financial year.

### Other information

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

### Internal control deficiencies

- 34 I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the findings on compliance with legislation included in this report.
- 35 The accounting officer did not implement adequate consequence management processes for transgressions against applicable policies, laws and regulations.
- 36 Management did not adequately implement review and monitoring controls to prevent non-compliance with applicable laws and regulations relating to supply chain management.
- 37 Management did not adequately review supporting documentation prior to making payments to suppliers in certain instances, resulting in the modification of the audit outcome.
- 38 Management processes to perform proper reconciliations related to commitments were inadequate, resulting in material corrections to the financial statements.

### Material irregularities

- 39 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 the material irregularities reported in the previous year's auditor's report.

### Status of previously reported material irregularities

#### Payment made to a consulting firm without evidence of work performed

- 40 In 2018-19, a payment of R17 900 594 was made to a consulting firm appointed for financial management services, without the required progress report to support that the work had been performed.
- The payment for services not delivered was as a result of ineffective internal controls relating to the approval and processing of payments, as required by treasury regulation 8.1.1.

- 41 The non-compliance with legislation was likely to result in a material financial loss if the amount paid is not recovered from the firm. A contingent asset of R17 900 594 in relation to this matter has been disclosed in note 20.2, of the financial statements.
- 42 The accounting officer was notified of the material irregularity on 17 July 2019. The following actions have been taken to resolve the material irregularity:
- The department's internal audit unit investigated the matter and concluded its report on the 18th of July 2018. Based on the outcome of the investigation, the accounting officer initiated disciplinary proceedings on the 9th of October 2018 against officials involved and subsequently, all of the officials resigned from the department.
  - One official joined another department and a request was submitted to that department on the 9th of June 2020, to continue with the disciplinary process.
  - A criminal case was also opened on 17 July 2018 with the South African Police Service (SAPS).
  - The accounting officer implemented internal controls to strengthen the efficient and effective monitoring of the performance of service providers against set deliverables and the review of appropriate verifiable supporting documents.
  - The accounting officer filed a combined summons with the high court on the 22nd of November 2018, to declare the contract invalid and recover the amount paid. On the 22nd of January 2020, the court granted an order by agreement between the parties that the review application to declare the contract invalid, had become academic and it was therefore withdrawn. The appropriate action to be taken by the accounting officer is dependent on the outcome of the court case, which is still ongoing at the date of this report as the case was postponed.
- 43 I will follow up on the implementation of the above actions during my next audit.

#### Other reports

- 44 In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties, which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
- 45 The special investigation unit (SIU) is currently conducting numerous forensic investigations, as per relevant proclamations issued, at the Department of Water and Sanitation or relevant water boards and the entity which is linked to the department. Most of these investigations were still in progress at the date of this auditor's report.
- 46 Several other investigations were also conducted, or were in progress, by the internal audit unit at the request of the accounting officer and/or the audit committee, and/or the executive authority arising from allegations of financial misconduct against officials of the department and other entities within the water portfolio. The completed investigations resulted in recommendations for disciplinary and/or criminal proceedings to be instituted against the officials concerned, while others were still in progress at year-end.

*Auditor-General*

**Pretoria**  
**22 October 2021**



## Annexure – Auditor-general’s responsibility for the audit

- 1 As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department’s compliance with respect to the selected subject matters.

### Financial statements

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

### Communication with those charged with governance

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

### 3 APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Appropriation per programme

Economic classification	2020/21						2019/20		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Programme</b>									
1 Administration	1 815 030	-	(101 924)	1 713 106	1 618 556	94 550	94,5%	1 690 985	1 624 064
2 Water Planning and Information Management	795 036	-	(63 602)	731 434	627 334	104 100	85,8%	835 264	753 553
3 Water Infrastructure Development	14 025 784	-	194 201	14 219 985	11 981 566	2 238 419	84,3%	13 539 682	12 548 973
4 Water Sector Regulation	358 441	-	(28 675)	329 766	275 157	54 609	83,4%	401 368	291 016
<b>Subtotal</b>	<b>16 994 291</b>	<b>-</b>	<b>-</b>	<b>16 994 291</b>	<b>14 502 613</b>	<b>2 491 678</b>	<b>85,3%</b>	<b>16 467 299</b>	<b>15 217 606</b>
TOTAL (brought forward)				16 994 291				16 467 299	
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				22 790				15 357	
Actual amounts per statement of financial performance (total revenue)				<b>17 017 081</b>				<b>16 482 656</b>	
Actual amounts per statement of financial performance (total expenditure)					<b>14 502 613</b>				<b>15 217 606</b>

Appropriation per economic classification									
Economic classification	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>3 912 007</b>	<b>(19 426)</b>	<b>(17 921)</b>	<b>3 874 660</b>	<b>3 459 270</b>	<b>415 390</b>	<b>89,3%</b>	<b>4 085 514</b>	<b>3 705 515</b>
Compensation of employees	1 867 701	-	-	1 867 701	1 638 330	229 371	87,7%	1 821 343	1 683 436
Salaries and wages	1 588 717	4 217	-	1 592 934	1 422 445	170 489	89,3%	1 562 675	1 468 216
Social contributions	278 984	(4 217)	-	274 767	215 885	58 882	78,6%	258 668	215 220
Goods and services	2 044 296	(19 429)	(17 925)	2 006 942	1 820 923	186 019	90,7%	2 264 171	2 022 079
Administrative fees	13 299	(8 100)	(2 907)	2 292	2 292	-	100,0%	4 756	4 756
Advertising	23 657	(2 995)	20	20 682	20 682	-	100,0%	17 143	17 143
Minor assets	10 679	(6 033)	(3 137)	1 509	1 509	-	100,0%	2 953	2 953
Audit costs: External	27 726	3	(3 616)	24 113	24 113	-	100,0%	35 206	35 206
Bursaries: Employees	4 757	(1 050)	(1 264)	2 443	2 443	-	100,0%	2 380	2 380
Catering: Departmental activities	3 840	(2 275)	(1 248)	317	317	-	100,0%	1 445	1 445
Communication	28 707	2 557	(922)	30 342	30 342	-	100,0%	28 749	28 749
Computer services	124 823	10 424	(15 197)	120 050	120 050	-	100,0%	117 176	117 176
Consultants: Business and advisory services	529 656	(95 037)	(19 414)	415 205	281 405	133 800	67,8%	348 016	265 457
Infrastructure and planning services	66 973	2 635	(30 459)	39 149	29 629	9 520	75,7%	199 125	184 437
Laboratory services	7 926	(590)	(3 358)	3 978	3 978	-	100,0%	3 466	3 466
Scientific and technological services	25	-	(25)	-	-	-	-	-	-
Legal services	8 795	(894)	(1 102)	6 799	6 799	-	100,0%	31 131	31 131
Contractors	137 238	51 776	55 091	244 105	201 406	42 699	82,5%	284 791	140 681

Appropriation per economic classification									
Economic classification	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Agency and support / outsourced services	4 259	(2 451)	(767)	1 041	1 041	-	100,0%	4 080	4 080
Entertainment	492	(250)	(218)	24	24	-	100,0%	147	147
Fleet services	18 933	(4 842)	(8 586)	5 505	5 505	-	100,0%	23 253	23 253
Inventory: Learner and teacher support material	1 000	(1 000)	-	-	-	-	-	-	-
Inventory: Materials and supplies	800	-	(800)	-	-	-	-	-	-
Inventory: Medicine	16	-	(16)	-	-	-	-	-	-
Inventory: Other supplies	102 790	55 530	77 179	235 499	235 499	-	100,0%	126 911	126 911
Consumable supplies	29 149	(10 806)	(1 010)	17 333	17 333	-	100,0%	55 484	55 484
Consumable: Stationery, printing and office supplies	22 044	(6 699)	(6 832)	8 513	8 513	-	100,0%	12 697	12 697
Operating leases	452 222	(700)	6 419	457 941	457 941	-	100,0%	402 768	402 768
Property payments	126 758	(4 488)	(23 644)	98 626	98 626	-	100,0%	108 694	108 694
Transport provided: Departmental activity	1 702	(830)	(872)	-	-	-	-	99	99
Travel and subsistence	84 474	22 832	(16 286)	91 020	91 020	-	100,0%	124 852	124 117
Training and development	187 772	(8 677)	(5 585)	173 510	173 510	-	100,0%	313 819	313 819
Operating payments	17 058	(4 710)	(6 098)	6 250	6 250	-	100,0%	9 435	9 435
Venues and facilities	4 838	(2 047)	(2 508)	283	283	-	100,0%	4 833	4 833
Rental and hiring	1 888	(712)	(763)	413	413	-	100,0%	762	762
Interest and rent on land	10	3	4	17	17	-	100,0%	-	-
Interest	10	(4)	(6)	-	-	-	-	-	-

Appropriation per economic classification									
Economic classification	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Rent on land	-	7	10	17	17	-	100,0%	-	-
<b>Transfers and subsidies</b>	<b>8 832 352</b>	<b>19 426</b>	-	<b>8 851 778</b>	<b>8 850 347</b>	<b>1 431</b>	<b>100,0%</b>	<b>9 154 756</b>	<b>9 116 654</b>
Provinces and municipalities	5 373 826	-	-	5 373 826	5 373 695	131	100,0%	5 736 498	5 698 629
Municipalities	5 373 826	-	-	5 373 826	5 373 695	131	100,0%	5 736 498	5 698 629
Municipal bank accounts	5 373 826	-	-	5 373 826	5 373 695	131	100,0%	5 736 498	5 698 629
Departmental agencies and accounts	2 382 047	1	-	2 382 048	2 382 047	1	100,0%	2 370 029	2 370 029
Departmental agencies and accounts	2 382 047	1	-	2 382 048	2 382 047	1	100,0%	2 370 029	2 370 029
Foreign governments and international organisations	237 664	-	-	237 664	237 458	206	99,9%	227 020	227 051
Public corporations and private enterprises	809 312	-	-	809 312	809 312	-	100,0%	782 891	782 891
Public corporations	809 312	-	-	809 312	809 312	-	100,0%	782 891	782 891
Other transfers to public corporations	809 312	-	-	809 312	809 312	-	100,0%	782 891	782 891
Non-profit institutions	1 630	-	-	1 630	834	796	51,2%	2 899	2 635
Households	27 873	19 425	-	47 298	47 001	297	99,4%	35 419	35 419
Social benefits	7 366	4 301	-	11 667	11 370	297	97,5%	15 658	15 658
Other transfers to households	20 507	15 124	-	35 631	35 631	-	100,0%	19 761	19 761
<b>Payments for capital assets</b>	<b>4 249 932</b>	-	<b>17 921</b>	<b>4 267 853</b>	<b>2 192 996</b>	<b>2 074 857</b>	<b>51,4%</b>	<b>3 226 291</b>	<b>2 394 699</b>
Buildings and other fixed structures	4 109 750	4 100	-	4 113 850	2 063 571	2 050 279	50,2%	3 093 941	2 317 777
Buildings	-	38 090	-	38 090	38 090	-	100,0%	210 424	210 424

Appropriation per economic classification										
Economic classification	2020/21							2019/20		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Other fixed structures	4 109 750	(33 990)	-	4 075 760	2 025 481	2 050 279	49,7%	2 883 517	2 107 353	
Machinery and equipment	98 748	(4 100)	20 983	115 631	91 672	23 959	79,3%	98 908	47 583	
Transport equipment	15 640	2 266	51 016	68 922	61 064	7 858	88,6%	21 839	14 545	
Other machinery and equipment	83 108	(6 366)	(30 033)	46 709	30 608	16 101	65,5%	77 069	33 038	
Intangible assets	41 434	-	(3 062)	38 372	37 753	619	98,4%	33 442	29 339	
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	<b>738</b>	<b>738</b>	



Statutory Appropriation per economic classification										
Economic classification	2020/21					2019/20				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>	
<b>Current payments</b>	<b>3 912 007</b>	<b>(19 426)</b>	<b>(17 921)</b>	<b>3 874 660</b>	<b>3 459 270</b>	<b>415 390</b>	<b>89,3%</b>	<b>4 085 514</b>	<b>3 705 515</b>	
Compensation of employees	1 867 701	-	-	1 867 701	1 638 330	229 371	87,7%	1 821 343	1 683 436	
Goods and services	2 044 296	(19 429)	(17 925)	2 006 942	1 820 923	186 019	90,7%	2 264 171	2 022 079	
Interest and rent on land	10	3	4	17	17	-	100,0%	-	-	
<b>Transfers and subsidies</b>	<b>8 832 352</b>	<b>19 426</b>	<b>-</b>	<b>8 851 778</b>	<b>8 850 347</b>	<b>1 431</b>	<b>100,0%</b>	<b>9 154 756</b>	<b>9 116 654</b>	
Provinces and municipalities	5 373 826	-	-	5 373 826	5 373 695	131	100,0%	5 736 498	5 698 629	
Departmental agencies and accounts	2 382 047	1	-	2 382 048	2 382 047	1	100,0%	2 370 029	2 370 029	
Foreign governments and international organisations	237 664	-	-	237 664	237 458	206	99,9%	227 020	227 051	
Public corporations and private enterprises	809 312	-	-	809 312	809 312	-	100,0%	782 891	782 891	
Non-profit institutions	1 630	-	-	1 630	834	796	51,2%	2 899	2 635	
Households	27 873	19 425	-	47 298	47 001	297	99,4%	35 419	35 419	
<b>Payments for capital assets</b>	<b>4 249 932</b>	<b>-</b>	<b>17 921</b>	<b>4 267 853</b>	<b>2 192 996</b>	<b>2 074 857</b>	<b>51,4%</b>	<b>3 226 291</b>	<b>2 394 699</b>	
Buildings and other fixed structures	4 109 750	4 100	-	4 113 850	2 063 571	2 050 279	50,2%	3 093 941	2 317 777	
Machinery and equipment	98 748	(4 100)	20 983	115 631	91 672	23 959	79,3%	98 908	47 583	
Intangible assets	41 434	-	(3 062)	38 372	37 753	619	98,4%	33 442	29 339	
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>738</b>	<b>738</b>	

Programme 1: [Administration]										
Economic classification	2020/21						2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
<b>Sub programme</b>										
1) Ministry	40 093	9 772	(934)	48 931	43 772	5 159	89,5%	54 148	41 781	
2) Departmental Management	125 946	-	(6 439)	119 507	111 354	8 153	93,2%	96 783	94 147	
3) Internal Audit	40 460	-	(9 163)	31 297	27 038	4 259	86,4%	28 322	27 700	
4) Corporate Services	733 477	(9 768)	(37 908)	685 801	636 416	49 385	92,8%	696 576	670 029	
5) Financial Management	260 266	(2 807)	(16 995)	240 464	215 796	24 668	89,7%	254 174	243 069	
6) Office Accommodation	518 980	-	(15 752)	503 228	503 228	-	100,0%	457 066	457 066	
7) Programme Management Unit	45 500	2 803	(5 936)	42 367	42 367	-	100,0%	54 674	44 226	
8) International Water Support	50 308	-	(8 797)	41 511	38 585	2 926	93,0%	49 242	46 046	
<b>Total for sub programmes</b>	<b>1 815 030</b>	<b>-</b>	<b>(101 924)</b>	<b>1 713 106</b>	<b>1 618 556</b>	<b>94 550</b>	<b>94,5%</b>	<b>1 690 985</b>	<b>1 624 064</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>1 703 500</b>	<b>(17 774)</b>	<b>(71 170)</b>	<b>1 614 556</b>	<b>1 520 333</b>	<b>94 223</b>	<b>94,2%</b>	<b>1 578 889</b>	<b>1 540 945</b>	
Compensation of employees	831 889	-	-	831 889	737 666	94 223	88,7%	803 138	765 194	
Salaries and wages	709 458	(1 665)	-	707 793	638 951	68 842	90,3%	684 521	666 702	
Social contributions	122 431	1 665	-	124 096	98 715	25 381	79,5%	118 617	98 492	
Goods and services	871 601	(17 774)	(71 164)	782 663	782 663	-	100,0%	775 751	775 751	
Administrative fees	6 139	(3 939)	(1 168)	1 032	1 032	-	100,0%	2 876	2 876	
Advertising	19 351	(1 022)	41	18 370	18 370	-	100,0%	15 413	15 413	
Minor assets	4 429	(1 920)	(1 807)	702	702	-	100,0%	994	994	
Audit costs: External	27 726	3	(3 616)	24 113	24 113	-	100,0%	35 206	35 206	
Bursaries: Employees	4 737	(1 158)	(1 278)	2 301	2 301	-	100,0%	2 380	2 380	

Programme 1: [Administration]											
Economic classification	2020/21						2019/20				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000		
Catering: Departmental activities	1 627	(969)	(413)	245	245	-	100,0%	814	814		
Communication	15 722	5 023	(421)	20 324	20 324	-	100,0%	19 972	19 972		
Computer services	81 548	2	(14 636)	66 914	66 914	-	100,0%	64 368	64 368		
Consultants: Business and advisory services	47 970	8 669	(9 979)	46 660	46 660	-	100,0%	10 853	10 853		
Infrastructure and planning services	-	-	-	-	-	-	-	3 173	3 173		
Legal services	7 699	(894)	(6)	6 799	6 799	-	100,0%	31 131	31 131		
Contractors	4 406	2 714	(593)	6 527	6 527	-	100,0%	8 508	8 508		
Agency and support / outsourced services	2 752	(1 609)	(102)	1 041	1 041	-	100,0%	3 925	3 925		
Entertainment	237	(144)	(80)	13	13	-	100,0%	92	92		
Fleet services	4 310	(2 269)	(506)	1 535	1 535	-	100,0%	6 311	6 311		
Consumable supplies	14 004	(5 117)	(1 982)	6 905	6 905	-	100,0%	4 825	4 825		
Consumable: Stationery, printing and office supplies	10 922	(2 556)	(3 072)	5 294	5 294	-	100,0%	6 583	6 583		
Operating leases	451 773	(544)	6 712	457 941	457 941	-	100,0%	402 768	402 768		
Property payments	109 464	(7 439)	(23 281)	78 744	78 744	-	100,0%	88 791	88 791		
Transport provided: Departmental activity	186	(176)	(10)	-	-	-	-	6	6		
Travel and subsistence	36 211	4 865	(9 618)	31 458	31 458	-	100,0%	51 801	51 801		
Training and development	8 706	(4 950)	(2 047)	1 709	1 709	-	100,0%	5 531	5 531		
Operating payments	8 551	(2 949)	(2 270)	3 332	3 332	-	100,0%	4 504	4 504		
Venues and facilities	2 117	(785)	(1 032)	300	300	-	100,0%	4 342	4 342		
Rental and hiring	1 014	(610)	-	404	404	-	100,0%	584	584		

Programme 1: [Administration]											
Economic classification	2020/21						2019/20				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000		
Interest and rent on land	10	-	(6)	4	4	-	100,0%	-	-		
Interest	10	(4)	(6)	-	-	-	-	-	-		
Rent on land	-	4	-	4	4	-	100,0%	-	-		
<b>Transfers and subsidies</b>	<b>30 878</b>	<b>17 774</b>	-	<b>48 652</b>	<b>48 325</b>	<b>327</b>	<b>99,3%</b>	<b>38 518</b>	<b>38 535</b>		
Provinces and municipalities	126	-	-	126	6	120	4,8%	78	64		
Municipalities	126	-	-	126	6	120	4,8%	78	64		
Municipal bank accounts	126	-	-	126	6	120	4,8%	78	64		
Departmental agencies and accounts	3 087	-	-	3 087	3 086	1	100,0%	2 986	2 986		
Departmental agencies	3 087	-	-	3 087	3 086	1	100,0%	2 986	2 986		
Foreign governments and international organisations	4 571	-	-	4 571	4 365	206	95,5%	7 120	7 151		
Non-profit institutions	500	-	-	500	500	-	100,0%	1 000	1 000		
Households	22 594	17 774	-	40 368	40 368	-	100,0%	27 334	27 334		
Social benefits	2 270	2 592	-	4 862	4 862	-	100,0%	8 074	8 074		
Other transfers to households	20 324	15 182	-	35 506	35 506	-	100,0%	19 260	19 260		
<b>Payments for capital assets</b>	<b>80 652</b>	-	<b>(30 754)</b>	<b>49 898</b>	<b>49 898</b>	-	<b>100,0%</b>	<b>72 857</b>	<b>43 863</b>		
Machinery and equipment	39 837	-	(27 692)	12 145	12 145	-	100,0%	39 660	14 649		
Transport equipment	4 519	-	(4 519)	-	-	-	-	7 137	3 803		
Other machinery and equipment	35 318	-	(23 173)	12 145	12 145	-	100,0%	32 523	10 846		
Intangible assets	40 815	-	(3 062)	37 753	37 753	-	100,0%	33 197	29 214		
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	<b>721</b>	<b>721</b>		

1.1 [SUB PROGRAMME 1 Ministry]											
2020/21											
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	2019/20	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
<b>Current payments</b>	<b>38 840</b>	<b>9 864</b>	-	<b>48 704</b>	<b>43 601</b>	<b>5 103</b>	<b>89,5%</b>	<b>47 974</b>	<b>38 138</b>		
Compensation of employees	17 731	-	-	17 731	12 628	5 103	71,2%	29 446	19 610		
Goods and services	21 109	9 864	-	30 973	30 973	-	100,0%	18 528	18 528		
<b>Transfers and subsidies</b>	<b>153</b>	<b>(92)</b>	-	<b>61</b>	<b>5</b>	<b>56</b>	<b>8,2%</b>	<b>2 710</b>	<b>2 709</b>		
Provinces and municipalities	61	-	-	61	5	56	8,2%	7	6		
Households	92	(92)	-	-	-	-	-	2 703	2 703		
<b>Payments for capital assets</b>	<b>1 100</b>	-	<b>(934)</b>	<b>166</b>	<b>166</b>	-	<b>100,0%</b>	<b>3 437</b>	<b>907</b>		
Machinery and equipment	1 100	-	(934)	166	166	-	100,0%	3 437	907		
<b>Payments for financial assets</b>	<b>-</b>	-	-	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>27</b>		

1.2 [SUB PROGRAMME 2 Departmental Management]									
Economic classification	2020/21					2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>122 671</b>	<b>(4 930)</b>	<b>(4 746)</b>	<b>112 995</b>	<b>104 866</b>	<b>8 129</b>	<b>92,8%</b>	<b>91 854</b>	<b>91 854</b>
Compensation of employees	80 368	-	-	80 368	72 239	8 129	89,9%	67 215	67 215
Goods and services	42 303	(4 930)	(4 746)	32 627	32 627	-	100,0%	24 639	24 639
<b>Transfers and subsidies</b>	<b>231</b>	<b>4 930</b>	<b>-</b>	<b>5 161</b>	<b>5 137</b>	<b>24</b>	<b>99,5%</b>	<b>353</b>	<b>341</b>
Provinces and municipalities	24	-	-	24	-	24	-	12	-
Households	207	4 930	-	5 137	5 137	-	100,0%	341	341
<b>Payments for capital assets</b>	<b>3 044</b>	<b>-</b>	<b>(1 693)</b>	<b>1 351</b>	<b>1 351</b>	<b>-</b>	<b>100,0%</b>	<b>4 555</b>	<b>1 931</b>
Machinery and equipment	3 044	-	(1 693)	1 351	1 351	-	100,0%	4 555	1 931
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>21</b>

1.3 [SUB PROGRAMME 3 Internal Audit]										
		2020/21					2019/20			
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Current payments</b>	<b>39 760</b>	-	<b>(8 712)</b>	<b>31 048</b>	<b>26 789</b>	<b>4 259</b>	<b>86,3%</b>	<b>27 552</b>	<b>27 519</b>	
Compensation of employees	27 948	-	-	27 948	23 689	4 259	84,8%	23 611	23 578	
Goods and services	11 812	-	(8 712)	3 100	3 100	-	100,0%	3 941	3 941	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
<b>Payments for capital assets</b>	<b>700</b>	-	<b>(451)</b>	<b>249</b>	<b>249</b>	-	<b>100,0%</b>	<b>700</b>	<b>111</b>	
Machinery and equipment	700	-	(451)	249	249	-	100,0%	700	111	
<b>Payments for financial assets</b>	<b>-</b>	-	-	-	-	-	-	<b>70</b>	<b>70</b>	

1.4 [SUB PROGRAMME 4 Corporate Services]									
Economic classification	2020/21					2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>643 111</b>	<b>(21 144)</b>	<b>(15 832)</b>	<b>606 135</b>	<b>556 791</b>	<b>49 344</b>	<b>91,9%</b>	<b>617 192</b>	<b>607 236</b>
Compensation of employees	428 137	-	-	428 137	378 793	49 344	88,5%	404 883	394 927
Goods and services	214 974	(21 148)	(15 832)	177 994	177 994	-	100,0%	212 309	212 309
Interest and rent on land	-	4	-	4	4	-	100,0%	-	-
<b>Transfers and subsidies</b>	<b>24 168</b>	<b>11 376</b>	-	<b>35 544</b>	<b>35 503</b>	<b>41</b>	<b>99,9%</b>	<b>24 985</b>	<b>24 984</b>
Provinces and municipalities	41	-	-	41	1	40	2,4%	39	38
Departmental agencies and accounts	3 087	-	-	3 087	3 086	1	100,0%	2 986	2 986
Households	21 040	11 376	-	32 416	32 416	-	100,0%	21 960	21 960
<b>Payments for capital assets</b>	<b>66 198</b>	-	<b>(22 076)</b>	<b>44 122</b>	<b>44 122</b>	-	<b>100,0%</b>	<b>53 813</b>	<b>37 223</b>
Machinery and equipment	25 383	-	(19 014)	6 369	6 369	-	100,0%	20 616	8 009
Intangible assets	40 815	-	(3 062)	37 753	37 753	-	100,0%	33 197	29 214
<b>Payments for financial assets</b>	<b>-</b>	-	-	<b>-</b>	<b>-</b>	-	-	<b>586</b>	<b>586</b>



1.5 [SUB PROGRAMME 5 Financial Management]											
Economic classification	2020/21						2019/20				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000		
<b>Current payments</b>	<b>252 554</b>	<b>(3 922)</b>	<b>(13 523)</b>	<b>235 109</b>	<b>210 441</b>	<b>24 668</b>	<b>89,5%</b>	<b>244 312</b>	<b>238 384</b>		
Compensation of employees	205 657	(2 802)	-	202 855	178 187	24 668	87,8%	196 176	190 248		
Goods and services	46 887	(1 116)	(13 517)	32 254	32 254	-	100,0%	48 136	48 136		
Interest and rent on land	10	(4)	(6)	-	-	-	-	-	-		
<b>Transfers and subsidies</b>	<b>1 255</b>	<b>1 115</b>	<b>-</b>	<b>2 370</b>	<b>2 370</b>	<b>-</b>	<b>100,0%</b>	<b>1 985</b>	<b>1 985</b>		
Provinces and municipalities	-	-	-	-	-	-	-	20	20		
Households	1 255	1 115	-	2 370	2 370	-	100,0%	1 965	1 965		
<b>Payments for capital assets</b>	<b>6 457</b>	<b>-</b>	<b>(3 472)</b>	<b>2 985</b>	<b>2 985</b>	<b>-</b>	<b>100,0%</b>	<b>7 860</b>	<b>2 683</b>		
Machinery and equipment	6 457	-	(3 472)	2 985	2 985	-	100,0%	7 860	2 683		
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		

1.6 [SUB PROGRAMME 6 Office Accommodation]										
Economic classification	2020/21						2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
<b>Current payments</b>	<b>518 980</b>	-	<b>(15 752)</b>	<b>503 228</b>	<b>503 228</b>	-	<b>100,0%</b>	<b>457 066</b>	<b>457 066</b>	
Goods and services	518 980	-	(15 752)	503 228	503 228	-	100,0%	457 066	457 066	
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-	

1.7 [SUB PROGRAMME 7 Programme Management Unit]									
Economic classification	2020/21					2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>44 382</b>	<b>2 358</b>	<b>(5 054)</b>	<b>41 686</b>	<b>41 686</b>	-	<b>100,0%</b>	<b>53 286</b>	<b>43 513</b>
Compensation of employees	37 319	2 802	-	40 121	40 121	-	100,0%	48 932	39 159
Goods and services	7 063	(444)	(5 054)	1 565	1 565	-	100,0%	4 354	4 354
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>									
Provinces and municipalities	-	445	-	445	445	-	100,0%	278	278
Households	-	445	-	445	445	-	100,0%	278	278
<b>Payments for capital assets</b>	<b>1 118</b>	-	<b>(882)</b>	<b>236</b>	<b>236</b>	-	<b>100,0%</b>	<b>1 110</b>	<b>435</b>
Machinery and equipment	1 118	-	(882)	236	236	-	100,0%	1 110	435
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-

1.8 [SUB PROGRAMME 8 International Water Support]									
Economic classification	2020/21					2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>43 202</b>	-	<b>(7 551)</b>	<b>35 651</b>	<b>32 931</b>	<b>2 720</b>	<b>92,4%</b>	<b>39 653</b>	<b>37 235</b>
Compensation of employees	34 729	-	-	34 729	32 009	2 720	92,2%	32 875	30 457
Goods and services	8 473	-	(7 551)	922	922	-	100,0%	6 778	6 778
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>5 071</b>	-	-	<b>5 071</b>	<b>4 865</b>	<b>206</b>	<b>95,9%</b>	<b>8 207</b>	<b>8 238</b>
Foreign governments and international organisations	4 571	-	-	4 571	4 365	206	95,5%	7 120	7 151
Non-profit institutions	500	-	-	500	500	-	100,0%	1 000	1 000
Households	-	-	-	-	-	-	-	87	87
<b>Payments for capital assets</b>	<b>2 035</b>	-	<b>(1 246)</b>	<b>789</b>	<b>789</b>	-	<b>100,0%</b>	<b>1 382</b>	<b>573</b>
Machinery and equipment	2 035	-	(1 246)	789	789	-	100,0%	1 382	573
<b>Payments for financial assets</b>	<b>-</b>	-	-	<b>-</b>	<b>-</b>	-	<b>-</b>	<b>-</b>	<b>-</b>

Programme 2: [Water Planning and Information Management]										
Economic classification	2020/21						2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Sub programme</b>										
1 Water Planning, Information Management and Support	7 414	16	(228)	7 202	6 091	1 111	84,6%	6 911	6 197	
2 Integrated Planning	85 698	(215)	(21 637)	63 846	62 144	1 702	97,3%	81 046	75 394	
3 Water Ecosystems	39 710	108	(67)	39 751	38 907	844	97,9%	38 507	35 513	
4 Water Information Management	545 581	1 129	(20 256)	526 454	448 198	78 256	85,1%	588 069	540 668	
5 Water Services and Local Water Management	84 189	(1 038)	(16 300)	66 851	49 369	17 482	73,8%	92 145	72 544	
6 Sanitation Planning and Management	14 933	9	(2 080)	12 862	8 811	4 051	68,5%	12 658	9 615	
7 Policy and Strategy	17 511	(9)	(3 034)	14 468	13 814	654	95,5%	15 928	13 622	
<b>Total for sub programmes</b>	<b>795 036</b>	<b>-</b>	<b>(63 602)</b>	<b>731 434</b>	<b>627 334</b>	<b>104 100</b>	<b>85,8%</b>	<b>835 264</b>	<b>753 553</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>718 602</b>	<b>-</b>	<b>(62 735)</b>	<b>655 867</b>	<b>576 513</b>	<b>79 354</b>	<b>87,9%</b>	<b>764 593</b>	<b>719 364</b>	
Compensation of employees	521 898	-	-	521 898	452 064	69 834	86,6%	494 526	463 985	
Salaries and wages	461 268	(1 606)	-	459 662	392 423	67 239	85,4%	431 883	404 439	
Social contributions	60 630	1 606	-	62 236	59 641	2 595	95,8%	62 643	59 546	
Goods and services	196 704	-	(62 735)	133 969	124 449	9 520	92,9%	270 067	255 379	
Administrative fees	1 552	(327)	(502)	723	723	-	100,0%	754	754	

Programme 2: [Water Planning and Information Management]										
Economic classification	2020/21						2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Advertising	127	729	-	856	856	-	100,0%	-	-	
Minor assets	2 427	(1 361)	(693)	373	373	-	100,0%	971	971	
Bursaries: Employees	10	62	-	72	72	-	100,0%	-	-	
Catering: Departmental activities	346	(197)	(149)	-	-	-	-	31	31	
Communication	5 851	(890)	(210)	4 751	4 751	-	100,0%	4 327	4 327	
Computer services	40 379	3 091	(126)	43 344	43 344	-	100,0%	41 718	41 718	
Consultants: Business and advisory services	33 993	(19 211)	(4 583)	10 199	10 199	-	100,0%	4 400	4 400	
Infrastructure and planning services	50 999	2 860	(30 459)	23 400	13 880	9 520	59,3%	149 734	135 046	
Laboratory services	4 837	(414)	(3 125)	1 298	1 298	-	100,0%	708	708	
Legal services	60	-	(60)	-	-	-	-	-	-	
Contractors	4 290	(62)	(1 379)	2 849	2 849	-	100,0%	4 390	4 390	
Agency and support / outsourced services	585	-	(585)	-	-	-	-	155	155	
Entertainment	113	(18)	(92)	3	3	-	100,0%	13	13	
Fleet services	10 867	-	(7 713)	3 154	3 154	-	100,0%	11 497	11 497	
Inventory: Materials and supplies	800	-	(800)	-	-	-	-	-	-	
Inventory: Other supplies	2 790	-	(2 790)	-	-	-	-	-	-	

Programme 2: [Water Planning and Information Management]											
Economic classification	2020/21						2019/20				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Consumable supplies	6 471	(267)	1 523	7 727	7 727	-	100,0%	8 028	8 028	-	8 028
Consumable: Stationery, printing and office supplies	3 940	(970)	(1 732)	1 238	1 238	-	100,0%	2 712	2 712	-	2 712
Operating leases	116	-	(116)	-	-	-	-	-	-	-	-
Property payments	2 377	848	-	3 225	3 225	-	100,0%	2 976	2 976	-	2 976
Transport provided: Departmental activity	(1)	1	-	-	-	-	-	-	-	-	-
Travel and subsistence	17 684	15 818	(4 286)	29 216	29 216	-	100,0%	34 299	34 299	-	34 299
Training and development	2 175	(184)	(1 900)	91	91	-	100,0%	473	473	-	473
Operating payments	2 603	609	(1 751)	1 461	1 461	-	100,0%	2 742	2 742	-	2 742
Venues and facilities	586	(117)	(486)	(17)	(17)	-	100,0%	132	132	-	132
Rental and hiring	727	-	(721)	6	6	-	100,0%	7	7	-	7
<b>Transfers and subsidies</b>	<b>4 614</b>	<b>-</b>	<b>(867)</b>	<b>3 747</b>	<b>3 422</b>	<b>325</b>	<b>91,3%</b>	<b>4 239</b>	<b>4 239</b>	<b>-</b>	<b>4 239</b>
Provinces and municipalities	538	-	-	538	527	11	98,0%	730	730	-	730
Municipalities	538	-	-	538	527	11	98,0%	730	730	-	730
Municipal bank accounts	538	-	-	538	527	11	98,0%	730	730	-	730
Departmental agencies and accounts	-	1	-	1	1	-	100,0%	7	7	-	7

Programme 2: [Water Planning and Information Management]										
Economic classification	2020/21						2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Departmental agencies	-	1	-	1	1	-	100,0%	7	7	
Non-profit institutions	17	-	-	17	-	17	-	27	25	
Households	4 059	(1)	(867)	3 191	2 894	297	90,7%	3 475	3 475	
Social benefits	4 059	(1)	(867)	3 191	2 894	297	90,7%	3 475	3 475	
<b>Payments for capital assets</b>	<b>71 820</b>	<b>-</b>	<b>-</b>	<b>71 820</b>	<b>47 399</b>	<b>24 421</b>	<b>66,0%</b>	<b>66 422</b>	<b>29 953</b>	
Buildings and other fixed structures	30 735	4 100	-	34 835	34 835	-	100,0%	26 090	8 345	
Other fixed structures	30 735	4 100	-	34 835	34 835	-	100,0%	26 090	8 345	
Machinery and equipment	40 466	(4 100)	-	36 366	12 564	23 802	34,5%	40 102	21 483	
Transport equipment	8 174	-	-	8 174	316	7 858	3,9%	9 652	7 230	
Other machinery and equipment	32 292	(4 100)	-	28 192	12 248	15 944	43,4%	30 450	14 253	
Intangible assets	619	-	-	619	-	619	-	230	125	
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>10</b>	



2.1 [SUB PROGRAMME 1 Water Planning, Information Management and Support]									
Economic classification	2020/21					2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Current payments	7 164	-	(228)	6 936	5 825	1 111	84,0%	6 808	6 128
Compensation of employees	6 573	-	-	6 573	5 462	1 111	83,1%	6 280	5 600
Goods and services	591	-	(228)	363	363	-	100,0%	528	528
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>250</b>	<b>16</b>	<b>-</b>	<b>266</b>	<b>266</b>	<b>-</b>	<b>100,0%</b>	<b>103</b>	<b>69</b>
Machinery and equipment	250	16	-	266	266	-	100,0%	103	69
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

2.2 [SUB PROGRAMME 2 Integrated Planning]										
Economic classification	2020/21						2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
<b>Current payments</b>	<b>84 526</b>	-	<b>(21 637)</b>	<b>62 889</b>	<b>61 449</b>	<b>1 440</b>	<b>97,7%</b>	<b>80 382</b>	<b>74 891</b>	
Compensation of employees	49 348	-	-	49 348	47 908	1 440	97,1%	54 578	49 087	
Goods and services	35 178	-	(21 637)	13 541	13 541	-	100,0%	25 804	25 804	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
<b>Transfers and subsidies</b>	<b>122</b>	<b>31</b>	-	<b>153</b>	<b>153</b>	-	<b>100,0%</b>	<b>254</b>	<b>254</b>	
Households	122	31	-	153	153	-	100,0%	254	254	
<b>Payments for capital assets</b>	<b>1 050</b>	<b>(246)</b>	-	<b>804</b>	<b>542</b>	<b>262</b>	<b>67,4%</b>	<b>405</b>	<b>244</b>	
Intangible assets	250	-	-	250	-	250	-	105	-	
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>5</b>	

2.3 [SUB PROGRAMME 3 Water Ecosystems]									
Economic classification	2020/21					2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>39 001</b>	-	<b>(67)</b>	<b>38 934</b>	<b>38 090</b>	<b>844</b>	<b>97,8%</b>	<b>37 035</b>	<b>34 154</b>
Compensation of employees	30 567	-	-	30 567	29 723	844	97,2%	31 999	29 118
Goods and services	8 434	-	<b>(67)</b>	8 367	8 367	-	100,0%	5 036	5 036
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>122</b>	<b>(122)</b>	-	-	-	-	-	<b>792</b>	<b>792</b>
Households	122	(122)	-	-	-	-	-	792	792
<b>Payments for capital assets</b>	<b>587</b>	<b>230</b>	-	<b>817</b>	<b>817</b>	-	<b>100,0%</b>	<b>680</b>	<b>567</b>
Machinery and equipment	587	230	-	817	817	-	100,0%	680	567
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

2.4 [SUB PROGRAMME 4 Water Information Management]									
Economic classification	2020/21					2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>475 603</b>	-	<b>(20 256)</b>	<b>455 347</b>	<b>399 932</b>	<b>55 415</b>	<b>87,8%</b>	<b>521 147</b>	<b>509 561</b>
Compensation of employees	367 745	-	-	367 745	312 330	55 415	84,9%	332 716	321 130
Goods and services	107 858	-	(20 256)	87 602	87 602	-	100,0%	188 431	188 431
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>2 109</b>	<b>1 129</b>	-	<b>3 238</b>	<b>3 227</b>	<b>11</b>	<b>99,7%</b>	<b>3 033</b>	<b>3 022</b>
Provinces and municipalities	538	-	-	538	527	11	98,0%	730	719
Departmental agencies and accounts	-	1	-	1	1	-	100,0%	7	7
Households	1 571	1 128	-	2 699	2 699	-	100,0%	2 296	2 296
<b>Payments for capital assets</b>	<b>67 869</b>	-	-	<b>67 869</b>	<b>45 039</b>	<b>22 830</b>	<b>66,4%</b>	<b>63 884</b>	<b>28 080</b>
Buildings and other fixed structures	30 735	4 100	-	34 835	34 835	-	100,0%	26 090	8 345
Machinery and equipment	36 765	(4 100)	-	32 665	10 204	22 461	31,2%	37 669	19 610
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	369	-	-	369	-	369	-	125	125
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>5</b>

2.5 [SUB PROGRAMME 5 Water Services and Local Water Management]										
2020/21										2019/20
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Current payments</b>	<b>80 680</b>	-	<b>(15 677)</b>	<b>65 003</b>	<b>49 122</b>	<b>15 881</b>	<b>75,6%</b>	<b>91 018</b>	<b>71 614</b>	
Compensation of employees	42 485	-	-	42 485	36 124	6 361	85,0%	44 196	39 480	
Goods and services	38 195	-	<b>(15 677)</b>	22 518	12 998	9 520	57,7%	46 822	32 134	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
<b>Transfers and subsidies</b>	<b>2 017</b>	<b>(1 038)</b>	<b>(623)</b>	<b>356</b>	<b>42</b>	<b>314</b>	<b>11,8%</b>	<b>27</b>	<b>25</b>	
Non-profit institutions	17	-	-	17	-	17	-	27	25	
Households	2 000	<b>(1 038)</b>	<b>(623)</b>	339	42	297	12,4%	-	-	
<b>Payments for capital assets</b>	<b>1 492</b>	-	-	<b>1 492</b>	<b>205</b>	<b>1 287</b>	<b>13,7%</b>	<b>1 100</b>	<b>905</b>	
Machinery and equipment	1 492	-	-	1 492	205	1 287	13,7%	1 100	905	
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-	

2.6 [SUB PROGRAMME 6 Sanitation Planning and Management]											
Economic classification	2020/21						2019/20				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000		
<b>Current payments</b>	<b>14 469</b>	-	<b>(1 958)</b>	<b>12 511</b>	<b>8 460</b>	<b>4 051</b>	<b>67,6%</b>	<b>12 425</b>	<b>9 482</b>		
Compensation of employees	11 827	-	-	11 827	7 776	4 051	65,7%	10 395	7 452		
Goods and services	2 642	-	(1 958)	684	684	-	100,0%	2 030	2 030		
Interest and rent on land	-	-	-	-	-	-	-	-	-		
<b>Transfers and subsidies</b>	<b>122</b>	-	<b>(122)</b>	-	-	-	-	<b>133</b>	<b>133</b>		
Households	122	-	(122)	-	-	-	-	133	133		
<b>Payments for capital assets</b>	<b>342</b>	<b>9</b>	-	<b>351</b>	<b>351</b>	-	<b>100,0%</b>	<b>100</b>	-		
Machinery and equipment	342	9	-	351	351	-	100,0%	100	-		
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-		

2.7 [SUB PROGRAMME 7 Policy and Strategy]										
2020/21										2019/20
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Current payments</b>	<b>17 159</b>	-	<b>(2 912)</b>	<b>14 247</b>	<b>13 635</b>	<b>612</b>	<b>95,7%</b>	<b>15 778</b>	<b>13 534</b>	
Compensation of employees	13 353	-	-	13 353	12 741	612	95,4%	14 362	12 118	
Goods and services	3 806	-	(2 912)	894	894	-	100,0%	1 416	1 416	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
<b>Transfers and subsidies</b>	<b>122</b>	-	<b>(122)</b>	-	-	-	-	-	-	
Households	122	-	(122)	-	-	-	-	-	-	
<b>Payments for capital assets</b>	<b>230</b>	<b>(9)</b>	-	<b>221</b>	<b>179</b>	<b>42</b>	<b>81,0%</b>	<b>150</b>	<b>88</b>	
Machinery and equipment	230	(9)	-	221	179	42	81,0%	150	88	
<b>Payments for financial assets</b>	<b>-</b>	-	-	-	-	-	-	-	-	

Programme 3: [Water Infrastructure Development]										
Economic classification	Sub programme	2020/21					2019/20			
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	1 Strategic Infrastructure Development and Management	2 408 138	-	-	2 408 138	2 408 138	-	100,0%	2 393 652	2 393 652
	2 Operation of Water Resources	203 915	-	-	203 915	203 915	-	100,0%	193 284	193 284
	3 Regional Bulk Infrastructure Grant	6 985 214	11 748	52 445	7 049 407	5 124 235	1 925 172	72,7%	6 001 808	5 152 526
	4 Water Services Infrastructure Grant	4 127 800	3 015	141 756	4 272 571	3 973 147	299 424	93,0%	4 518 055	4 389 534
	5 Accelerated Community Infrastructure Programme	300 717	(14 763)	-	285 954	272 131	13 823	95,2%	432 883	419 977
	<b>Total for sub programmes</b>	<b>14 025 784</b>	<b>-</b>	<b>194 201</b>	<b>14 219 985</b>	<b>11 981 566</b>	<b>2 238 419</b>	<b>84,3%</b>	<b>13 539 682</b>	<b>12 548 973</b>
<b>Economic classification</b>										
<b>Current payments</b>		<b>1 143 884</b>	<b>(132)</b>	<b>137 515</b>	<b>1 281 267</b>	<b>1 093 906</b>	<b>187 361</b>	<b>85,4%</b>	<b>1 353 903</b>	<b>1 162 170</b>
Compensation of employees		244 718	-	-	244 718	214 186	30 532	87,5%	264 502	216 879
Salaries and wages		188 420	2 389	-	190 809	186 095	4 714	97,5%	220 049	188 929
Social contributions		56 298	(2 389)	-	53 909	28 091	25 818	52,1%	44 453	27 950
Goods and services		899 166	(135)	137 505	1 036 536	879 707	156 829	84,9%	1 089 401	945 291
Administrative fees		3 091	(2 791)	-	300	300	-	100,0%	650	650



Programme 3: [Water Infrastructure Development]											
Economic classification	2020/21						2019/20				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Advertising	3 569	(2 872)	-	697	697	-	100,0%	1 169	1 169	1 169	1 169
Minor assets	1 521	(1 292)	-	229	229	-	100,0%	252	252	252	252
Catering: Departmental activities	828	(761)	-	67	67	-	100,0%	454	454	454	454
Communication	3 401	(1 093)	-	2 308	2 308	-	100,0%	2 138	2 138	2 138	2 138
Consultants: Business and advisory services	418 544	(81 905)	-	336 639	222 509	114 130	66,1%	247 703	247 703	247 703	247 703
Infrastructure and planning services	15 974	(225)	-	15 749	15 749	-	100,0%	46 218	46 218	46 218	46 218
Laboratory services	-	119	-	119	119	-	100,0%	254	254	254	254
Contractors	127 756	48 992	57 536	234 284	191 585	42 699	81,8%	268 956	268 956	268 956	124 846
Agency and support / outsourced services	774	(774)	-	-	-	-	-	-	-	-	-
Entertainment	63	(63)	-	-	-	-	-	-	-	10	10
Fleet services	2 361	(2 001)	-	360	360	-	100,0%	3 765	3 765	3 765	3 765
Inventory: Learner and teacher support material	1 000	(1 000)	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	100 000	55 530	79 969	235 499	235 499	-	100,0%	126 911	126 911	126 911	126 911
Consumable supplies	5 207	(4 015)	-	1 192	1 192	-	100,0%	40 274	40 274	40 274	40 274

Programme 3: [Water Infrastructure Development]											
Economic classification	2020/21						2019/20				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Consumable: Stationery, printing and office supplies	3 325	(2 599)	-	726	726	-	100,0%	1 751	1 751	-	1 751
Operating leases	118	(118)	-	-	-	-	-	-	-	-	-
Property payments	14 439	2 103	-	16 542	16 542	-	100,0%	16 789	16 789	-	16 789
Transport provided: Departmental activity	655	(655)	-	-	-	-	-	93	93	-	93
Travel and subsistence	18 670	707	-	19 377	19 377	-	100,0%	23 392	23 392	-	23 392
Training and development	174 833	(3 151)	-	171 682	171 682	-	100,0%	307 572	307 572	-	307 572
Operating payments	2 157	(1 394)	-	763	763	-	100,0%	881	881	-	881
Venues and facilities	775	(775)	-	-	-	-	-	-	-	-	-
Rental and hiring	105	(102)	-	3	3	-	100,0%	169	169	-	169
Interest and rent on land	-	3	10	13	13	-	100,0%	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Rent on land	-	3	10	13	13	-	100,0%	-	-	-	-
<b>Transfers and subsidies</b>	<b>8 796 108</b>	<b>132</b>	<b>867</b>	<b>8 797 107</b>	<b>8 796 328</b>	<b>779</b>	<b>100,0%</b>	<b>9 110 863</b>	<b>9 072 757</b>		

Programme 3: [Water Infrastructure Development]									
Economic classification	2020/21					2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provinces and municipalities	5 373 162	-	-	5 373 162	5 373 162	-	100,0%	5 735 690	5 697 846
Municipalities	5 373 162	-	-	5 373 162	5 373 162	-	100,0%	5 735 690	5 697 846
Municipal bank accounts	5 373 162	-	-	5 373 162	5 373 162	-	100,0%	5 735 690	5 697 846
Departmental agencies and accounts	2 378 960	-	-	2 378 960	2 378 960	-	100,0%	2 367 036	2 367 036
Departmental agencies	2 378 960	-	-	2 378 960	2 378 960	-	100,0%	2 367 036	2 367 036
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	233 093	-	-	233 093	233 093	-	100,0%	219 900	219 900
Public corporations and private enterprises	809 312	-	-	809 312	809 312	-	100,0%	782 891	782 891
Public corporations	809 312	-	-	809 312	809 312	-	100,0%	782 891	782 891
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	809 312	-	-	809 312	809 312	-	100,0%	782 891	782 891
Non-profit institutions	1 113	-	-	1 113	334	779	30,0%	1 872	1 610
Households	468	132	867	1 467	1 467	-	100,0%	3 474	3 474
Social benefits	285	276	867	1 428	1 428	-	100,0%	3 268	3 268
Other transfers to households	183	(144)	-	39	39	-	100,0%	206	206

Programme 3: [Water Infrastructure Development]									
Economic classification	2020/21					2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Payments for capital assets	4 085 792	-	55 819	4 141 611	2 091 332	2 050 279	50,5%	3 074 909	2 314 039
Buildings and other fixed structures	4 079 015	-	-	4 079 015	2 028 736	2 050 279	49,7%	3 067 851	2 309 432
Buildings	-	38 090	-	38 090	38 090	-	100,0%	210 424	210 424
Other fixed structures	4 079 015	(38 090)	-	4 040 925	1 990 646	2 050 279	49,3%	2 857 427	2 099 008
Machinery and equipment	6 777	-	55 819	62 596	62 596	-	100,0%	7 043	4 607
Transport equipment	1 795	2 266	56 687	60 748	60 748	-	100,0%	2 653	2 284
Other machinery and equipment	4 982	(2 266)	(868)	1 848	1 848	-	100,0%	4 390	2 323
Intangible assets	-	-	-	-	-	-	-	15	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	<b>7</b>	<b>7</b>

3.1 [SUB PROGRAMME 1 Strategic Infrastructure Development and Management]									
2020/21									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	<b>2 408 138</b>	-	-	<b>2 408 138</b>	<b>2 408 138</b>	-	<b>100,0%</b>	<b>2 393 652</b>	<b>2 393 652</b>
Departmental agencies and accounts	2 175 045	-	-	2 175 045	2 175 045	-	100,0%	2 173 752	2 173 752
Foreign governments and international organisations	233 093	-	-	233 093	233 093	-	100,0%	219 900	219 900
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-

3.2 [SUB PROGRAMME 2 Operation of Water Resources]											
2020/21											2019/20
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
<b>Transfers and subsidies</b>	203 915	-	-	203 915	203 915	-	100,0%	193 284	193 284	193 284	193 284
Departmental agencies and accounts	203 915	-	-	203 915	203 915	-	100,0%	193 284	193 284	193 284	193 284
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-	-	-

3.3 [SUB PROGRAMME 3 Regional Bulk Infrastructure Grant]									
Economic classification	2020/21					2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>681 158</b>	<b>12 442</b>	<b>23 049</b>	<b>716 649</b>	<b>555 255</b>	<b>161 394</b>	<b>77,5%</b>	<b>740 993</b>	<b>578 802</b>
Compensation of employees	46 796	-	-	46 796	42 231	4 565	90,2%	59 209	41 128
Goods and services	634 362	12 442	23 049	669 853	513 024	156 829	76,6%	681 784	537 674
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>2 814 917</b>	<b>131</b>	<b>20</b>	<b>2 815 068</b>	<b>2 815 068</b>	<b>-</b>	<b>100,0%</b>	<b>2 849 794</b>	<b>2 811 950</b>
Provinces and municipalities	2 005 605	-	-	2 005 605	2 005 605	-	100,0%	2 066 360	2 028 516
Public corporations and private enterprises	809 312	-	-	809 312	809 312	-	100,0%	782 891	782 891
Households	-	131	20	151	151	-	100,0%	543	543
<b>Payments for capital assets</b>	<b>3 489 139</b>	<b>(825)</b>	<b>29 376</b>	<b>3 517 690</b>	<b>1 753 912</b>	<b>1 763 778</b>	<b>49,9%</b>	<b>2 411 021</b>	<b>1 761 774</b>
Buildings and other fixed structures	3 487 951	-	-	3 487 951	1 724 173	1 763 778	49,4%	2 409 799	1 761 147
Machinery and equipment	1 188	(825)	29 376	29 739	29 739	-	100,0%	1 222	627
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

3.4 [SUB PROGRAMME 4 Water Services Infrastructure Grant]										
Economic classification	2020/21					2019/20				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
<b>Current payments</b>	<b>166 305</b>	<b>3</b>	<b>114 466</b>	<b>280 774</b>	<b>267 851</b>	<b>12 923</b>	<b>95,4%</b>	<b>185 526</b>	<b>167 253</b>	
Compensation of employees	96 638	-	-	96 638	83 715	12 923	86,6%	107 318	89 045	
Goods and services	69 667	-	114 456	184 123	184 123	-	100,0%	78 208	78 208	
Interest and rent on land	-	3	10	13	13	-	100,0%	-	-	
<b>Transfers and subsidies</b>	<b>3 367 557</b>	<b>38</b>	<b>847</b>	<b>3 368 442</b>	<b>3 368 442</b>	<b>-</b>	<b>100,0%</b>	<b>3 671 624</b>	<b>3 671 624</b>	
Provinces and municipalities	3 367 557	-	-	3 367 557	3 367 557	-	100,0%	3 669 330	3 669 330	
Households	-	38	847	885	885	-	100,0%	2 294	2 294	
<b>Payments for capital assets</b>	<b>593 938</b>	<b>2 974</b>	<b>26 443</b>	<b>623 355</b>	<b>336 854</b>	<b>286 501</b>	<b>54,0%</b>	<b>660 901</b>	<b>550 653</b>	
Buildings and other fixed structures	591 064	-	-	591 064	304 563	286 501	51,5%	658 052	548 285	
Machinery and equipment	2 874	2 974	26 443	32 291	32 291	-	100,0%	2 849	2 368	
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>4</b>	



3.5 [SUB PROGRAMME 5 Accelerated Community Infrastructure Programme]									
Economic classification	2020/21					2019/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>296 421</b>	<b>(12 577)</b>	-	<b>283 844</b>	<b>270 800</b>	<b>13 044</b>	<b>95,4%</b>	<b>427 384</b>	<b>416 115</b>
Compensation of employees	101 284	-	-	101 284	88 240	13 044	87,1%	97 975	86 706
Goods and services	195 137	(12 577)	-	182 560	182 560	-	100,0%	329 409	329 409
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 581</b>	<b>(37)</b>	-	<b>1 544</b>	<b>765</b>	<b>779</b>	<b>49,5%</b>	<b>2 509</b>	<b>2 247</b>
Non-profit institutions	1 113	-	-	1 113	334	779	30,0%	1 872	1 610
Households	468	(37)	-	431	431	-	100,0%	637	637
<b>Payments for capital assets</b>	<b>2 715</b>	<b>(2 149)</b>	-	<b>566</b>	<b>566</b>	-	<b>100,0%</b>	<b>2 987</b>	<b>1 612</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 715	(2 149)	-	566	566	-	100,0%	2 972	1 612
Intangible assets	-	-	-	-	-	-	-	15	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>3</b>

Programme 4: [Water Sector Regulation]									
Economic classification	2020/21					2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Sub programme</b>									
1 Water Sector Regulation Management and Support	39 164	(3 330)	(3 272)	32 562	28 564	3 998	87,7%	38 363	36 247
2 Economic and Social Regulation	22 229	646	(416)	22 459	21 868	591	97,4%	22 531	20 981
3 Water Use Authorisation and Administration	54 097	4 009	(1 355)	56 751	56 751	-	100,0%	61 996	57 705
4 Water Supply Services and Sanitation Regulation	34 430	82	(2 512)	32 000	11 817	20 183	36,9%	62 527	12 893
5 Compliance Monitoring and Enforcement	130 633	(1 638)	(6 775)	122 220	109 908	12 312	89,9%	116 232	112 345
6 Institutional Oversight	77 888	231	(14 345)	63 774	46 249	17 525	72,5%	99 719	50 845
<b>Total for sub programmes</b>	<b>358 441</b>	<b>-</b>	<b>(28 675)</b>	<b>329 766</b>	<b>275 157</b>	<b>54 609</b>	<b>83,4%</b>	<b>401 368</b>	<b>291 016</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>346 021</b>	<b>(1 520)</b>	<b>(21 531)</b>	<b>322 970</b>	<b>268 518</b>	<b>54 452</b>	<b>83,1%</b>	<b>388 129</b>	<b>283 036</b>
Compensation of employees	269 196	-	-	269 196	234 414	34 782	87,1%	259 177	237 378
Salaries and wages	229 571	5 099	-	234 670	204 976	29 694	87,3%	226 222	208 146
Social contributions	39 625	(5 099)	-	34 526	29 438	5 088	85,3%	32 955	29 232

Programme 4: [Water Sector Regulation]											
Economic classification	2020/21						2019/20				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000		
Goods and services	76 825	(1 520)	(21 531)	53 774	34 104	19 670	63,4%	128 952	45 658		
Administrative fees	2 517	(1 043)	(1 237)	237	237	-	100,0%	476	476		
Advertising	610	170	(21)	759	759	-	100,0%	561	561		
Minor assets	2 302	(1 460)	(637)	205	205	-	100,0%	736	736		
Audit costs: External	-	-	-	-	-	-	-	-	-		
Bursaries: Employees	10	46	14	70	70	-	100,0%	-	-		
Catering: Departmental activities	1 039	(348)	(686)	5	5	-	100,0%	146	146		
Communication	3 733	(483)	(291)	2 959	2 959	-	100,0%	2 312	2 312		
Computer services	2 896	7 331	(435)	9 792	9 792	-	100,0%	11 090	11 090		
Consultants: Business and advisory services	29 149	(2 590)	(4 852)	21 707	2 037	19 670	9,4%	85 060	2 501		
Laboratory services	3 089	(295)	(233)	2 561	2 561	-	100,0%	2 504	2 504		
Scientific and technological services	25	-	(25)	-	-	-	-	-	-		
Legal services	1 036	-	(1 036)	-	-	-	-	-	-		
Contractors	786	132	(473)	445	445	-	100,0%	2 937	2 937		
Agency and support / outsourced services	148	(68)	(80)	-	-	-	-	-	-		
Entertainment	79	(25)	(46)	8	8	-	100,0%	32	32		

Programme 4: [Water Sector Regulation]									
Economic classification	2020/21					2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Fleet services	1 395	(572)	(367)	456	456	-	100,0%	1 680	1 680
Inventory: Medicine	16	-	(16)	-	-	-	-	-	-
Consumable supplies	3 467	(1 407)	(551)	1 509	1 509	-	100,0%	2 357	2 357
Consumable: Stationery, printing and office supplies	3 857	(574)	(2 028)	1 255	1 255	-	100,0%	1 651	1 651
Operating leases	215	(38)	(177)	-	-	-	-	-	-
Property payments	478	-	(363)	115	115	-	100,0%	138	138
Transport provided: Departmental activity	862	-	(862)	-	-	-	-	-	-
Travel and subsistence	11 909	1 442	(2 382)	10 969	10 969	-	100,0%	15 360	14 625
Training and development	2 058	(392)	(1 638)	28	28	-	100,0%	243	243
Operating payments	3 747	(976)	(2 077)	694	694	-	100,0%	1 308	1 308
Venues and facilities	1 360	(370)	(990)	-	-	-	-	359	359
Rental and hiring	42	-	(42)	-	-	-	-	2	2
<b>Transfers and subsidies</b>	<b>752</b>	<b>1 520</b>	<b>-</b>	<b>2 272</b>	<b>2 272</b>	<b>-</b>	<b>100,0%</b>	<b>1 136</b>	<b>1 136</b>
Households	752	1 520	-	2 272	2 272	-	100,0%	1 136	1 136
Social benefits	752	1 434	-	2 186	2 186	-	100,0%	841	841
Other transfers to households	-	86	-	86	86	-	100,0%	295	295

Programme 4: [Water Sector Regulation]													
Economic classification	2020/21						2019/20		Expenditure as % of final appropriation	Variance	Actual Expenditure	Final Appropriation	Actual expenditure
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	R'000	R'000	R'000					
<b>Payments for capital assets</b>	<b>11 668</b>	-	<b>(7 144)</b>	<b>4 524</b>	<b>4 367</b>	<b>157</b>	<b>96,5%</b>	<b>12 103</b>	<b>6 844</b>				
Machinery and equipment	11 668	-	(7 144)	4 524	4 367	157	96,5%	12 103	6 844				
Transport equipment	1 152	-	(1 152)	-	-	-	-	2 397	1 228				
Other machinery and equipment	10 516	-	(5 992)	4 524	4 367	157	96,5%	9 706	5 616				
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-				

4.1 [SUB PROGRAMME 1 Water Sector Regulation Management and Support]									
Economic classification	2020/21					2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>36 984</b>	<b>(2 494)</b>	<b>(2 503)</b>	<b>31 987</b>	<b>27 989</b>	<b>3 998</b>	<b>87,5%</b>	<b>36 148</b>	<b>34 032</b>
Compensation of employees	27 448	-	-	27 448	23 450	3 998	85,4%	26 560	24 444
Goods and services	9 536	(2 494)	(2 503)	4 539	4 539	-	100,0%	9 588	9 588
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>625</b>	<b>(539)</b>	<b>-</b>	<b>86</b>	<b>86</b>	<b>-</b>	<b>100,0%</b>	<b>773</b>	<b>773</b>
Households	625	(539)	-	86	86	-	100,0%	773	773
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

4.2 [SUB PROGRAMME 2 Economic and Social Regulation]									
Economic classification	2020/21					2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>22 229</b>	<b>(543)</b>	<b>(410)</b>	<b>21 276</b>	<b>20 685</b>	<b>591</b>	<b>97,2%</b>	<b>22 067</b>	<b>20 517</b>
Compensation of employees	20 005	-	-	20 005	19 414	591	97,0%	20 943	19 393
Goods and services	2 224	(543)	(410)	1 271	1 271	-	100,0%	1 124	1 124
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>-</b>	<b>892</b>	<b>-</b>	<b>892</b>	<b>892</b>	<b>-</b>	<b>100,0%</b>	<b>12</b>	<b>12</b>
Households	-	892	-	892	892	-	100,0%	12	12
<b>Payments for capital assets</b>	<b>-</b>	<b>297</b>	<b>(6)</b>	<b>291</b>	<b>291</b>	<b>-</b>	<b>100,0%</b>	<b>452</b>	<b>452</b>
Machinery and equipment	-	297	(6)	291	291	-	100,0%	452	452
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

4.3 [SUB PROGRAMME 3 Water Use Authorisation and Administration]									
Economic classification	2020/21					2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>51 886</b>	<b>4 009</b>	-	<b>55 895</b>	<b>55 895</b>	-	<b>100,0%</b>	<b>59 630</b>	<b>56 406</b>
Compensation of employees	42 966	1 487	-	44 453	44 453	-	100,0%	45 690	42 466
Goods and services	8 920	2 522	-	11 442	11 442	-	100,0%	13 940	13 940
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>6</b>	<b>6</b>
Households	-	-	-	-	-	-	-	6	6
<b>Payments for capital assets</b>	<b>2 211</b>	-	<b>(1 355)</b>	<b>856</b>	<b>856</b>	-	<b>100,0%</b>	<b>2 360</b>	<b>1 293</b>
Machinery and equipment	2 211	-	(1 355)	856	856	-	100,0%	2 360	1 293
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-



4.4 [SUB PROGRAMME 4 Water Supply Services and Sanitation Regulation]									
2020/21									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>33 937</b>	<b>82</b>	<b>(2 399)</b>	<b>31 620</b>	<b>11 437</b>	<b>20 183</b>	<b>36,2%</b>	<b>62 257</b>	<b>12 771</b>
Compensation of employees	10 176	136	-	10 312	9 799	513	95,0%	10 252	8 994
Goods and services	23 761	(54)	(2 399)	21 308	1 638	19 670	7,7%	52 005	3 777
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>493</b>	<b>-</b>	<b>(113)</b>	<b>380</b>	<b>380</b>	<b>-</b>	<b>100,0%</b>	<b>270</b>	<b>122</b>
Machinery and equipment	493	-	(113)	380	380	-	100,0%	270	122
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

4.5 [SUB PROGRAMME 5 Compliance Monitoring and Enforcement]										
Economic classification	2020/21						2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
<b>Current payments</b>	<b>126 305</b>	<b>(2 615)</b>	<b>(4 349)</b>	<b>119 341</b>	<b>107 186</b>	<b>12 155</b>	<b>89,8%</b>	<b>111 901</b>	<b>109 891</b>	
Compensation of employees	109 285	(1 623)	-	107 662	95 507	12 155	88,7%	98 803	97 528	
Goods and services	17 020	(992)	(4 349)	11 679	11 679	-	100,0%	13 098	12 363	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
<b>Transfers and subsidies</b>	<b>127</b>	<b>977</b>	<b>-</b>	<b>1 104</b>	<b>1 104</b>	<b>-</b>	<b>100,0%</b>	<b>94</b>	<b>94</b>	
Households	127	977	-	1 104	1 104	-	100,0%	94	94	
<b>Payments for capital assets</b>	<b>4 201</b>	<b>-</b>	<b>(2 426)</b>	<b>1 775</b>	<b>1 618</b>	<b>157</b>	<b>91,2%</b>	<b>4 237</b>	<b>2 360</b>	
Machinery and equipment	4 201	-	(2 426)	1 775	1 618	157	91,2%	4 237	2 360	
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

4.6 [SUB PROGRAMME 6 Institutional Oversight]									
Economic classification	2020/21					2019/20			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
<b>Current payments</b>	<b>74 680</b>	<b>41</b>	<b>(11 870)</b>	<b>62 851</b>	<b>45 326</b>	<b>17 525</b>	<b>72,1%</b>	<b>96 126</b>	<b>49 419</b>
Compensation of employees	59 316	-	-	59 316	41 791	17 525	70,5%	56 929	44 553
Goods and services	15 364	41	(11 870)	3 535	3 535	-	100,0%	39 197	4 866
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>-</b>	<b>190</b>	<b>-</b>	<b>190</b>	<b>190</b>	<b>-</b>	<b>100,0%</b>	<b>251</b>	<b>251</b>
Households	-	190	-	190	190	-	100,0%	251	251
<b>Payments for capital assets</b>	<b>3 208</b>	<b>-</b>	<b>(2 475)</b>	<b>733</b>	<b>733</b>	<b>-</b>	<b>100,0%</b>	<b>3 342</b>	<b>1 175</b>
Machinery and equipment	3 208	-	(2 475)	733	733	-	100,0%	3 342	1 175
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

- 1) Detail of transfers and subsidies as per Appropriation Act (after Virement):
  - 2) Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.
  - 3) Detail of specifically and exclusively appropriated amounts voted (after Virement):
  - 4) Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.
  - 5) Detail on payments for financial assets
- Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.
- 1) Explanations of material variances from Amounts Voted (after Virement):

#### 4 NOTES TO APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	1 713 106	1 618 556	94 550	6%

The programme under-spending of R94.550 million was largely due to the following factors: Some of the posts could not be filled due to the impact of outer years (Medium term expenditure framework allocations) budget cuts and implementation of the new macro organisational structure which incorporate matching and placement processes. Outstanding payment of the cost of living adjustments (CoLA), the matter is currently being attended to by the Department of Public Service and Administration (DPSA).

The unfilled vacant posts during the greater part of the financial year across all the sub-programmes of the four programmes within the department. Recruitment processes are underway for the filling of posts which are mainly critical and/or core in nature and vacant due to natural attrition.

Water Planning and Information Management	731 434	627 334	104 100	14%
---	---------	---------	---------	-----

The programme under-spending of R104.100 million was largely due to unfilled vacant posts during the greater part of the financial year across all the sub-programmes of the four programmes within the department. Recruitment processes are underway for the filling of posts which are mainly critical and/or core in nature and vacant due to natural attrition. Some of the posts could not be filled due to the impact of outer years (Medium term expenditure framework allocations) budget cuts and implementation of the new macro organisational structure which incorporate matching and placement processes. Outstanding payment of the cost of living adjustments (CoLA), the matter is currently being attended to by the Department of Public Service and Administration (DPSA). The delayed implementation of project due to the impact of the government enforced Covid-19 lockdown restrictions. The delayed spending on office furniture, equipment and desktops/ laptops which were mostly at various procurement stages contributed to under-spending under payments for capital assets.

4.2 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Water Infrastructure Development	14 219 985	11 981 566	2 238 419	16%

The programme under-spending of R2.238 billion was partly due to unfilled vacant posts during the greater part of the financial year across all the sub-programmes of the four programmes within the department. Recruitment processes are underway for the filling of posts which are mainly critical and/or core in nature and vacant due to natural attrition. Some of the posts could not be filled due to the impact of outer years (Medium term expenditure framework allocations) budget cuts and implementation of the new macro organisational structure which incorporate matching and placement processes. Outstanding payment of the cost of living adjustments (CoLA), the matter is currently being attended to by the Department of Public Service and Administration (DPSA). The underspending in goods and services was on integrated Vaal River System (VRS) pollution remediation intervention project due to service delivery protest which has resulted in the waste water treatment being closed for a significant amount of time, the impact of the government enforced Covid-19 lockdown restrictions has impacted the implementation of the project, inability to manage contractors by Ekurhuleni Water Care Company (ERWAT) and process of ceding contracts from ERWAT took longer than anticipated. The department has approached the National Treasury requesting R82.200 million roll-overs of integrated Vaal River System (VRS) pollution remediation intervention project qualifying 2020/21 unspent funds to the 2021/22 financial year. Payments for capital assets: The under-spending is attributable to the unresolved disputed invoices, community related challenges and contractual disputes, outstanding work certification and verification at year-end, Covid-19 lockdown across the country and oncontractual and funding arrangements have been finalised including request for rollover of funds to National Treasury.

The delayed spending of office furniture, equipment and desktops/ laptops which was mostly at various procurement stages also contributed to the under-spending.

Water Sector Regulation	329 766	275 157	54 609	17%
-------------------------	---------	---------	--------	-----

The programme under-spending of R54.609 million was largely due to the following factors: Some of the posts could not be filled due to the impact of outer years (Medium term expenditure framework allocations) budget cuts and implementation of the new macro organisational structure which incorporate matching and placement processes.

Outstanding payment of the cost of living adjustments (CoLA), the matter is currently being attended to by the Department of Public Service and Administration (DPSA).

The unfilled vacant posts during the greater part of the financial year across all the sub-programmes of the four programmes within the department. Recruitment processes are underway for the filling of posts which are mainly critical and/or core in nature and vacant due to natural attrition.

4.3 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
<b>Current payments</b>	<b>3 874 660</b>	<b>3 459 270</b>	<b>415 390</b>	<b>11%</b>
Compensation of employees	1 867 701	1 638 330	229 371	12%
Goods and services	2 006 942	1 820 923	186 019	9%
Interest and rent on land	17	17	-	0%
<b>Transfers and subsidies</b>	<b>8 851 778</b>	<b>8 850 347</b>	<b>1 431</b>	<b>0%</b>
Provinces and municipalities	5 373 826	5 373 695	131	0%
Departmental agencies and accounts	2 382 048	2 382 047	1	0%
Public corporations and private enterprises	809 312	809 312	-	0%
Foreign governments and international organisations	237 664	237 458	206	0%
Non-profit institutions	1 630	834	796	49%
Households	47 298	47 001	297	1%
<b>Payments for capital assets</b>	<b>4 267 853</b>	<b>2 192 996</b>	<b>2 074 857</b>	<b>49%</b>
Buildings and other fixed structures	4 113 850	2 063 571	2 050 279	50%
Machinery and equipment	115 631	91 672	23 959	21%
Intangible assets	38 372	37 753	619	2%
<b>Payments for financial assets</b>				

*Current Expenditure: The under spending in compensation of employees was largely due to unfilled vacant posts during the greater part of the financial year across all the sub-programmes of the four programmes within the department. Recruitment processes are underway for the filling of posts which are mainly critical and/or core in nature and vacant due to natural attrition. Some of the posts could not be filled due to the impact of outer years (Medium term expenditure framework allocations) budget cuts and implementation of the new macro organisational structure which incorporate matching and placement processes. Outstanding payment of the cost of living adjustments (CoLA), the matter is currently being attended to by the Department of Public Service and Administration (DPSA). The underspending in goods and services was on integrated Vaal River System (VRS) pollution remediation intervention project due to service delivery protest which has resulted in the waste water treatment being closed for a significant amount of time, the impact of the government enforced Covid-19 lockdown restrictions has impacted the implementation of the project, inability to manage contractors by Ekurhuleni Water Care Company (ERWAT) and process of ceding contracts from ERWAT took longer than anticipated. The department has approached the National Treasury requesting R82.200 million roll-overs of integrated Vaal River System (VRS) pollution remediation intervention project qualifying 2020/21 unspent funds to the 2021/22 financial year.*

*Transfers and Subsidies: The variance of R1.431 million is mainly due to the saving realised on foreign exchange gain during the conversion of the foreign currency (USD) to the local currency, which will depend on the prevailing exchange rate on the payment date. The 2020 Vision-Water Educational Programme activities suspended due government enforced Covid-19 lock down restrictions.*

*Payments for Capital Assets: The variance of R2.075 billion was mainly attributable to the unresolved disputed invoices, community related challenges and contractual disputes, outstanding work certification and verification at year-end, Covid-19 lockdown across the country and on contractual and funding arrangements have been finalised including request for rollover of funds to National Treasury.*

*The delayed spending of office furniture, equipment and desktops/ laptops which was mostly at various procurement stages also contributed to the under-spending.*

4.4 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Water Services Infrastructure Grant (WSIG): Direct Grant	3 367 557	3 367 557	-	0%
Regional Bulk Infrastructure Grant (RBIG): Direct Grant	2 005 605	2 005 605	-	0%
Regional Bulk Infrastructure Grant (RBIG): Indirect Grant	3 487 951	1 724 173	1 763 778	51%
Water Services Infrastructure Grant (WSIG): Indirect Grant	591 064	304 563	286 501	48%

*Transfers to benefiting municipalities under Schedule 5B and payments to appointed Implementing Agents under Schedule 6B are made in terms of the approved Division of Revenue (DoRA) payment schedule.*

**5 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2020/21	2019/20
		R'000	R'000
<b>REVENUE</b>			
Annual appropriation	<u>1</u>	16 994 291	16 467 299
Departmental revenue	<u>2</u>	22 790	15 357
<b>TOTAL REVENUE</b>		<b>17 017 081</b>	<b>16 482 656</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	<u>3</u>	1 638 330	1 683 436
Goods and services	<u>4</u>	1 820 923	2 022 079
Interest and rent on land	<u>5</u>	17	-
<b>Total current expenditure</b>		<b>3 459 270</b>	<b>3 705 515</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	<u>7</u>	8 850 347	9 116 654
<b>Total transfers and subsidies</b>		<b>8 850 347</b>	<b>9 116 654</b>
<b>Expenditure for capital assets</b>			
Tangible assets	<u>8</u>	2 155 243	2 365 360
Intangible assets	<u>8</u>	37 753	29 339
<b>Total expenditure for capital assets</b>		<b>2 192 996</b>	<b>2 394 699</b>
<b>Payments for financial assets</b>	<u>6</u>	-	738
<b>TOTAL EXPENDITURE</b>		<b>14 502 613</b>	<b>15 217 606</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>2 514 468</b>	<b>1 265 050</b>

Reconciliation of Net Surplus/(Deficit) for the year		2020/21	2019/20
Voted funds		2 491 678	1 249 693
Annual appropriation		2 491 678	1 249 693
Departmental revenue and NRF Receipts	<u>15</u>	22 790	15 357
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>2 514 468</b>	<b>1 265 050</b>

**6 STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2020/21	2019/20
		R'000	R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>2 566 083</b>	<b>1 302 531</b>
Unauthorised expenditure	<u>2</u>	641 109	641 109
Cash and cash equivalents	<u>10</u>	1 712 559	250 270
Prepayments and advances	<u>11</u>	156 965	357 255
Receivables	<u>12</u>	54 569	53 003
Loans	<u>13</u>	881	894
<b>Non-current assets</b>		<b>954</b>	<b>1 239</b>
Receivables	<u>12</u>	58	84
Loans	<u>13</u>	896	1 155
<b>TOTAL ASSETS</b>		<b>2 567 037</b>	<b>1 303 770</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>2 516 193</b>	<b>1 253 099</b>
Voted funds to be surrendered to the Revenue Fund	<u>14</u>	2 491 678	1 249 693
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>15</u>	18 497	401
Bank overdraft	<u>16</u>	4	4
Payables	<u>17</u>	6 014	3 001
<b>TOTAL LIABILITIES</b>		<b>2 516 193</b>	<b>1 253 099</b>
<b>NET ASSETS</b>		<b>50 844</b>	<b>50 671</b>
<b>Represented by:</b>			
Recoverable revenue		50 844	50 671
<b>TOTAL</b>		<b>50 844</b>	<b>50 671</b>



**7 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2020/21	2019/20
		R'000	R'000
<b>Recoverable revenue</b>			
Opening balance		50 671	56 393
Transfers:		<b>173</b>	<b>(5 722)</b>
Debts revised		762	893
Debts recovered (included in departmental receipts)		(6 230)	(8 344)
Debts raised		5 641	1 729
<b>Closing balance</b>		<b>50 844</b>	<b>50 671</b>

**8 CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2020/21	2019/20
		R'000	R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>17 017 046</b>	<b>16 482 277</b>
Annual appropriated funds received	<u>1.1</u>	16 994 291	16 467 299
Departmental revenue received	<u>2</u>	21 699	11 417
Interest received	<u>2.3</u>	1 056	3 561
Net (increase)/decrease in working capital		201 737	(343 076)
Surrendered to Revenue Fund		(1 254 387)	22 556
Current payments		(3 459 253)	(3 705 515)
Interest paid	<u>5</u>	(17)	-
Payments for financial assets		-	(738)
Transfers and subsidies paid		(8 850 347)	(9 116 654)
<b>Net cash flow available from operating activities</b>	<u>18</u>	<b>3 654 779</b>	<b>3 338 850</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	<u>8</u>	(2 192 996)	(2 394 699)
Proceeds from sale of capital assets	<u>2.4</u>	35	379
(Increase)/decrease in loans		272	861
(Increase)/decrease in non-current receivables	<u>12</u>	26	67
<b>Net cash flows from investing activities</b>		<b>(2 192 663)</b>	<b>(2 393 392)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		173	(5 722)
<b>Net cash flows from financing activities</b>		<b>173</b>	<b>(5 722)</b>
Net increase/(decrease) in cash and cash equivalents		1 462 289	939 736
Cash and cash equivalents at beginning of period		250 266	(689 470)
<b>Cash and cash equivalents at end of period</b>	<u>19</u>	<b>1 712 555</b>	<b>250 266</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

## 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.

<b>1</b>	<b>Basis of preparation</b> The financial statements have been prepared in accordance with the Modified Cash Standard.
<b>2</b>	<b>Going concern</b> The financial statements have been prepared on a going concern basis. The department have reported a favourable bank balance as at 31 March 2021. The reported accruals and payables as at 31 March 2021 will be absorbed in the 2021/2022 financial year.  The department have provided water takers to household in a bit to alleviate water shortages throughout the country in a fight against COVID-19. Funding has been set aside to cater for the COVID-19 related expenditure in the 2020/21 financial year.  There are no principal events, activities or conditions that may cast significant doubt on the department's ability to continue as a going concern as the department has a mandate to carry out in line with the Constitution of the Republic of South Africa Act 108 of 1996, National Development Plan and the second National Water Strategy.
<b>3</b>	<b>Presentation currency</b> Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
<b>4</b>	<b>Rounding</b> Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
<b>5</b>	<b>Foreign currency translation</b> 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.
<b>6</b>	<b>Comparative information</b>
<b>6.1</b>	<b>Prior period comparative information</b> 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.
<b>6.2</b>	<b>Current year comparison with budget</b> A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
<b>7</b>	<b>Revenue</b>

<b>7.1</b>	<p><b>Appropriated funds</b></p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>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.</p> <p>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.</p>
<b>7.2</b>	<p><b>Departmental revenue</b></p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
<b>7.3</b>	<p><b>Accrued departmental revenue</b></p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>• it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>• the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
<b>8</b>	<b>Expenditure</b>
<b>8.1</b>	<b>Compensation of employees</b>
<b>8.1.1</b>	<p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
<b>8.1.2</b>	<p><b>Social contributions</b></p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>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.</p>
<b>8.2</b>	<p><b>Other expenditure</b></p> <p>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.</p>
<b>8.3</b>	<p><b>Accruals and payables not recognised</b></p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
<b>8.4</b>	<b>Leases</b>
<b>8.4.1</b>	<p><b>Operating leases</b></p> <p>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.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p> <p>Operating lease payments received are recognised as departmental revenue.</p>

<b>8.4.2</b>	<p><b>Finance leases</b></p> <p>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.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> <li>• cost, being the fair value of the asset; or</li> <li>• the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul> <p>Finance lease payments received are recognised as departmental revenue.</p>
<b>9</b>	<p><b>Aid Assistance</b></p>
<b>9.1</b>	<p><b>Aid assistance received</b></p> <p>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.</p> <p>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.</p>
<b>9.2</b>	<p><b>Aid assistance paid</b></p> <p>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.</p>
<b>10</b>	<p><b>Cash and cash equivalents</b></p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>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.</p>
<b>11</b>	<p><b>Prepayments and advances</b></p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p>
<b>12</b>	<p><b>Loans and receivables</b></p> <p>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.</p>
<b>13</b>	<p><b>Investments</b></p> <p>Investments are recognised in the statement of financial position at cost.</p>

<b>14</b>	<b>Financial assets</b>
<b>14.1</b>	<p><b>Financial assets (not covered elsewhere)</b></p> <p>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.</p> <p>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.</p>
<b>14.2</b>	<p><b>Impairment of financial assets</b></p> <p>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.</p>
<b>15</b>	<p><b>Payables</b></p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
<b>16</b>	<b>Capital Assets</b>
<b>16.1</b>	<p><b>Immovable capital assets</b></p> <p>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.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
<b>16.2</b>	<p><b>Movable capital assets</b></p> <p>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.</p> <p>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.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value..</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
<b>16.3</b>	<p><b>Intangible assets</b></p> <p>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.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>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.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>

<b>16.4</b>	<p><b>Project Costs: Work-in-progress</b></p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>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.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
<b>17</b>	<p><b>Provisions and Contingents</b></p>
<b>17.1</b>	<p><b>Provisions</b></p> <p>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.</p>
<b>17.2</b>	<p><b>Contingent liabilities</b></p> <p>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.</p>
<b>17.3</b>	<p><b>Contingent assets</b></p> <p>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.</p>
<b>17.4</b>	<p><b>Capital commitments</b></p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
<b>18</b>	<p><b>Unauthorised expenditure</b></p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
<b>19</b>	<p><b>Fruitless and wasteful expenditure</b></p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>

<b>20</b>	<p><b>Irregular expenditure</b></p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>21</b>	<p><b>Changes in accounting estimates and errors</b></p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>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.</p>
<b>22</b>	<p><b>Events after the reporting date</b></p> <p>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.</p>
<b>23</b>	<p><b>Principal-Agent arrangements</b></p> <p>The department is party to a principal-agent arrangement for water related projects. In terms of the arrangement the department is the principal and is responsible for provide funding and ensuring that all completed projects are transferred to their rightful owners. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
<b>24</b>	<p><b>Departures from the MCS requirements</b></p> <p><i>[Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.]</i></p>
<b>25</b>	<p><b>Capitalisation reserve</b></p> <p>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.</p>
<b>26</b>	<p><b>Recoverable revenue</b></p> <p>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.</p>
<b>27</b>	<p><b>Related party transactions</b></p> <p>Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p>

28	<p><b>Inventories</b></p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>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.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
29	<p><b>Public-Private Partnerships</b></p> <p>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.</p> <p>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.</p>
30	<p><b>Employee benefits</b></p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>
31	<p><b>Transfers of functions</b></p> <p>Transfers 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.</p> <p>Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.</p>
32	<p><b>Mergers</b></p> <p>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.</p> <p>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.</p>



## PART B: EXPLANATORY NOTES

### 1 Annual Appropriation

#### 1.1 Annual Appropriation

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

	2020/21			2019/20		
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation received	Funds not requested / not received
	R'000	R'000	R'000	R'000	R'000	
Administration	1 815 030	1 815 030	-	1 836 172	1 836 172	-
Water Planning and Information Management	795 036	795 036	-	907 896	907 896	-
Water Infrastructure Development	14 025 784	14 025 784	-	13 286 961	13 286 961	-
Water Sector Regulation	358 441	358 441	-	436 270	436 270	-
<b>Total</b>	<b>16 994 291</b>	<b>16 994 291</b>	<b>-</b>	<b>16 467 299</b>	<b>16 467 299</b>	<b>-</b>

#### Conditional grants

	Note	2020/21	2019/20
		R'000	R'000
Total grants received	47	9 452 177	9 474 214

### 2 Departmental revenue

	Note	2020/21	2019/20
		R'000	R'000
Sales of goods and services other than capital assets	2.1	1 767	1 977
Fines, penalties and forfeits	2.2	-	1 310
Interest, dividends and rent on land	2.3	1 056	3 561
Sales of capital assets	2.4	35	379
Transactions in financial assets and liabilities	2.5	19 932	8 130
<b>Total revenue collected</b>		<b>22 790</b>	<b>15 357</b>
Less: Own revenue included in appropriation	19	-	-
<b>Departmental revenue collected</b>		<b>22 790</b>	<b>15 357</b>

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

	Note	2020/21	2019/20
	2	R'000	R'000
Sales of goods and services produced by the department		1 766	1 966
Sales by market establishment		731	789
Other sales		1 035	1 177
Sales of scrap, waste and other used current goods		1	11
<b>Total</b>		<b>1 767</b>	<b>1 977</b>

## 2.2 Fines, penalties and forfeits

	Note	2020/21	2019/20
	2	R'000	R'000
Fines		-	1 310
<b>Total</b>		<b>-</b>	<b>1 310</b>

## 2.3 Interest, dividends and rent on land

	Note	2020/21	2019/20
	2	R'000	R'000
Interest		1 056	3 561
<b>Total</b>		<b>1 056</b>	<b>3 561</b>

## 2.4 Sale of capital assets

	Note	2020/21	2019/20
	2	R'000	R'000
<b>Tangible assets</b>			
Machinery and equipment	39	35	379
<b>Total</b>		<b>35</b>	<b>379</b>

## 2.5 Transactions in financial assets and liabilities

	Note	2020/21	2019/20
	2	R'000	R'000
Receivables		5 935	7 821
Other Receipts including Recoverable Revenue		13 997	309
<b>Total</b>		<b>19 932</b>	<b>8 130</b>

### 3 Compensation of employees

#### 3.1 Salaries and Wages

	Note	2020/21	2019/20
		R'000	R'000
Basic salary		1 156 926	1 187 205
Performance award		14 341	23 957
Service Based		2 543	2 879
Compensative/circumstantial		10 194	9 999
Periodic payments		-	254
Other non-pensionable allowances		238 441	243 921
<b>Total</b>		<b>1 422 445</b>	<b>1 468 215</b>

#### 3.2 Social contributions

	Note	2020/21	2019/20
		R'000	R'000
<b>Employer contributions</b>			
Pension		142 255	146 000
Medical		73 100	68 779
UIF		17	-
Bargaining council		110	299
Official unions and associations		-	-
Insurance		403	143
<b>Total</b>		<b>215 885</b>	<b>215 221</b>
<b>Total compensation of employees</b>		<b>1 638 330</b>	<b>1 683 436</b>
Average number of employees		3 043	3 138

## 4 Goods and services

	Note	2020/21	2019/20
		R'000	R'000
Administrative fees		2 292	4 756
Advertising		20 682	17 143
Minor assets	4.1	1 509	2 953
Bursaries (employees)		2 443	2 380
Catering		317	1 445
Communication		30 342	28 748
Computer services	4.2	120 050	117 176
Consultants: Business and advisory services		281 405	265 456
Infrastructure and planning services		29 629	184 436
Laboratory services		3 978	3 465
Legal services		6 799	31 132
Contractors		201 406	140 682
Agency and support / outsourced services		1 041	4 081
Entertainment		24	147
Audit cost – external	4.3	24 113	35 206
Fleet services		5 505	23 252
Inventory	4.4	235 499	126 911
Consumables	4.5	25 846	68 181
Operating leases		457 941	402 768
Property payments	4.6	98 626	108 692
Rental and hiring		413	762
Transport provided as part of the departmental activities		-	99
Travel and subsistence	4.7	91 020	124 118
Venues and facilities		283	4 833
Training and development		173 510	313 820
Other operating expenditure	4.8	6 250	9 437
<b>Total</b>		<b>1 820 923</b>	<b>2 022 079</b>

### 4.1 Minor assets

	2020/21	2019/20
	R'000	R'000
<b>Tangible assets</b>		
Machinery and equipment	1 497	2 925
Transport assets	12	28
<b>Total</b>	<b>1 509</b>	<b>2 953</b>

## 4.2 Computer services

	Note	2020/21	2019/20
	4	R'000	R'000
SITA computer services		24 559	23 272
External computer service providers		95 491	93 904
<b>Total</b>		<b>120 050</b>	<b>117 176</b>

## 4.3 Audit cost – External

	Note	2020/21	2019/20
	4	R'000	R'000
Regularity audits		21 064	26 287
Investigations		2 658	5 385
Computer audits		391	3 534
<b>Total</b>		<b>24 113</b>	<b>35 206</b>

## 4.4 Inventory

	Note	2020/21	2019/20
	4	R'000	R'000
Other supplies	4.4.1	235 499	126 911
<b>Total</b>		<b>235 499</b>	<b>126 911</b>

### 4.4.1 Other supplies

	Note	2020/21	2019/20
	4.4	R'000	R'000
Ammunition and security supplies			
Assets for distribution			
Other assets for distribution		235 499	126 911
<b>Total</b>		<b>235 499</b>	<b>126 911</b>

*Above amount for R235 million is for Water Tanks procured for the distribution to the Municipalities.*

#### 4.5 Consumables

	Note	2020/21	2019/20
	4	R'000	R'000
Consumable supplies		17 332	55 484
Uniform and clothing		2 716	13 887
Household supplies		6 817	33 050
Building material and supplies		1 265	1 345
IT consumables		366	651
Other consumables		6 168	6 551
Stationery, printing and office supplies		8 514	12 697
<b>Total</b>		<b>25 846</b>	<b>68 181</b>

#### 4.6 Property payments

	Note	2020/21	2019/20
	4	R'000	R'000
Municipal services		51 650	60 475
Property maintenance and repairs		18 112	19 488
Other		28 864	28 729
<b>Total</b>		<b>98 626</b>	<b>108 692</b>

#### 4.7 Travel and subsistence

	Note	2020/21	2019/20
	4	R'000	R'000
Local		90 475	115 082
Foreign		545	9 036
<b>Total</b>		<b>91 020</b>	<b>124 118</b>

#### 4.8 Other operating expenditure

	Note	2020/21	2019/20
	4	R'000	R'000
Professional bodies, membership and subscription fees		1 654	1 665
Resettlement costs		865	2 313
Other		3 731	5 459
<b>Total</b>		<b>6 250</b>	<b>9 437</b>

## 5 Interest and rent on land

	Note	2020/21	2019/20
		R'000	R'000
Interest paid		17	-
<b>Total</b>		<b>17</b>	<b>-</b>

## 6 Payments for financial assets

	Note	2020/21	2019/20
		R'000	R'000
Debts written off	6.3	-	738
<b>Total</b>		<b>-</b>	<b>738</b>

### 6.1 Debts written off

	Note	2020/21	2019/20
	6	R'000	R'000
<b>Nature of debts written off</b>			
Recoverable revenue written off			
Disallowance fraud		-	248
Disallowance miscellaneous: CA		-	6
<b>Total</b>		<b>-</b>	<b>254</b>
<b>Other debt written off</b>			
Staff and supplier debt		-	484
<b>Total</b>		<b>-</b>	<b>484</b>
<b>Total debt written off</b>		<b>-</b>	<b>738</b>

## 7 Transfers and subsidies

	Note	2020/21	2019/20
		R'000	R'000
Provinces and municipalities	48, 49	5 373 695	5 698 629
Departmental agencies and accounts	Annexure 1B	2 382 047	2 370 029
Foreign governments and international organisations	Annexure 1E	237 458	227 051
Public corporations and private enterprises	Annexure 1D	809 312	782 891
Non-profit institutions	Annexure 1F	834	2 635
Households	Annexure 1G	47 001	35 419
<b>Total</b>		<b>8 850 347</b>	<b>9 116 654</b>

## 8 Expenditure for capital assets

	Note	2020/21	2019/20
		R'000	R'000
<b>Tangible assets</b>		<b>2 155 243</b>	<b>2 365 360</b>
Buildings and other fixed structures	40	2 063 571	2 317 777
Machinery and equipment	39	91 672	47 583
<b>Intangible assets</b>		<b>37 753</b>	<b>29 339</b>
Software	40	37 753	29 339
<b>Total</b>		<b>2 192 996</b>	<b>2 394 699</b>
The following amounts have been included as project costs in Expenditure for capital assets			
Compensation of employees		-	-
Goods and services		-	-
<b>Total</b>		<b>-</b>	<b>-</b>

### 8.1 Analysis of funds utilised to acquire capital assets – 2020/21

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	<b>2 155 243</b>	-	<b>2 155 243</b>
Buildings and other fixed structures	2 063 571	-	2 063 571
Machinery and equipment	91 672	-	91 672
<b>Intangible assets</b>	<b>37 753</b>	-	<b>37 753</b>
Software	37 753	-	37 753
<b>Total</b>	<b>2 192 996</b>	<b>-</b>	<b>2 192 996</b>

### 8.2 Analysis of funds utilised to acquire capital assets – 2019/20

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	<b>2 365 360</b>	-	<b>2 365 360</b>
Buildings and other fixed structures	2 317 777	-	2 317 777
Machinery and equipment	47 583	-	47 583
<b>Intangible assets</b>	<b>29 339</b>	-	<b>29 339</b>
Software	29 339	-	29 339
<b>Total</b>	<b>2 394 699</b>	<b>-</b>	<b>2 394 699</b>



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

	Note	2020/21	2019/20
		R'000	R'000
<b>Tangible assets</b>			
Machinery and equipment		4 692	19 677
<b>Total</b>		<b>4 692</b>	<b>19 677</b>

## 9 Unauthorised expenditure

### Reconciliation of unauthorised expenditure

	Note	2020/21	2019/20
		R'000	R'000
Opening balance		641 109	641 109
Prior period error			-
<b>Closing balance</b>		<b>641 109</b>	<b>641 109</b>
<b>Analysis of closing balance</b>			
Unauthorised expenditure awaiting authorisation		641 109	641 109
<b>Total</b>		<b>641 109</b>	<b>641 109</b>

### Analysis of unauthorised expenditure awaiting authorisation per economic classification

		2020/21	2019/20
		R'000	R'000
Capital		348 840	348 840
Current		292 269	292 269
Transfers and subsidies		-	-
<b>Total</b>		<b>641 109</b>	<b>641 109</b>

### Analysis of unauthorised expenditure awaiting authorisation per type

		2020/21	2019/20
		R'000	R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote		641 109	641 109
<b>Total</b>		<b>641 109</b>	<b>641 109</b>

## 10 Cash and cash equivalents

	Note	2020/21	2019/20
		R'000	R'000
Consolidated Paymaster General Account		1 712 412	204 364
Disbursements		-	31
Cash on hand		70	70
Investments (Domestic)		77	45 805
<b>Total</b>		<b>1 712 559</b>	<b>250 270</b>

Cash and cash equivalent comprises of Paymaster General Account (PMG) petty cash on hand and money in the commercial bank account available for use. Money in the commercial bank represent cash receipts deposited on/before the end of March 2021 but not yet interphase on BAS.

## 11 Prepayments and advances

	Note	2020/21	2019/20
		R'000	R'000
Travel and subsistence		39	46
Prepayments (Not expensed)	11.2	-	9 809
Advances paid (Not expensed)	11.1	156 926	347 400
<b>Total</b>		<b>156 965</b>	<b>357 255</b>

### 11.1 Advances paid (Not expensed)

	Note	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2021
		R'000	R'000	R'000	R'000	R'000
National departments	11	1 000	(1 000)	-	-	-
Public entities		346 400	(851 008)	-	661 534	156 926
<b>Total</b>		<b>347 400</b>	<b>(852 008)</b>	<b>-</b>	<b>661 534</b>	<b>156 926</b>

	Note	Balance as at 1 April 2019	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2020
		R'000	R'000	R'000	R'000	R'000
National departments	11	512	(3 998)	-	4 486	1 000
Public entities		4 000	(339 578)	-	681 978	346 400
<b>Total</b>		<b>4 512</b>	<b>(343 576)</b>	<b>-</b>	<b>686 464</b>	<b>347 400</b>

**11.2 Prepayments (Not expensed)**

	Note	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2021
	11	R'000	R'000	R'000	R'000	R'000
Transfers and subsidies		9 809	(30 417)	-	20 608	-
Capital assets		-	(22 489)	-	22 489	-
<b>Total</b>		<b>9 809</b>	<b>(52 906)</b>	<b>-</b>	<b>43 097</b>	<b>-</b>

	Note	Balance as at 1 April 2019	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2020
	11	R'000	R'000	R'000	R'000	R'000
Transfers and subsidies		10 237	(10 237)	-	9 809	9 809
<b>Total</b>		<b>10 237</b>	<b>(10 237)</b>	<b>-</b>	<b>9 809</b>	<b>9 809</b>

**11.3 Prepayments (Expensed)**

	Note	Amount as at 1 April 2020	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2021
		R'000	R'000	R'000	R'000	R'000
Goods and services		-	-	-	250	<b>250</b>
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>250</b>	<b>250</b>

#### 11.4 Advances paid (Expensed)

	Note	Amount as at 1 April 2020	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2021
		R'000	R'000	R'000	R'000	R'000
National departments		-	-	-	50	<b>50</b>
Public entities		306 534	(488 378)	-	200 000	<b>18 156</b>
<b>Total</b>		<b>306 534</b>	<b>(488 378)</b>	-	<b>200 050</b>	<b>18 206</b>

	Note	Amount as at 1 April 2019	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2020
		R'000	R'000	R'000	R'000	R'000
Public entities		-	-	-	306 534	<b>306 534</b>
<b>Total</b>		-	-	-	<b>306 534</b>	<b>306 534</b>

## 12 Receivables

	Note	2020/21			2019/20		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	12.1	446	-	446	202	-	202
Trade receivables	12.2	-	-	-	-	-	-
Recoverable expenditure	12.3	1 189	-	1 189	193	-	193
Staff debt	12.4	8 283	58	8 341	8 401	84	8 485
Fruitless and wasteful expenditure	12.6	12 960	-	12 960	12 960	-	12 960
Other receivables	12.5	31 691	-	31 691	31 247	-	31 247
<b>Total</b>		<b>54 569</b>	<b>58</b>	<b>54 627</b>	<b>53 003</b>	<b>84</b>	<b>53 087</b>

### 12.1 Claims recoverable

	Note	2020/21	2019/20
	15 and Annex 4	R'000	R'000
National departments		155	128
Provincial departments		268	55
Public entities		23	19
<b>Total</b>		<b>446</b>	<b>202</b>

### 12.2 Recoverable expenditure (disallowance accounts)

	Note	2020/21	2019/20
	15	R'000	R'000
SAL:Garnishee Order:CL		1	-
Sal: Tax Debt		43	25
Sal:Deduction Account:CA	Disallowance	6	-
Disallowance Miscellaneous:CA		4	4
Sal GEHS Refund		1 135	164
<b>Total</b>		<b>1 189</b>	<b>193</b>

### 12.3 Staff debt

	Note	2020/21	2019/20
	15	R'000	R'000
Salary Overpayment & leave without pay		4 953	5 039
Tax Debt		1	2
Bursary (Breach of Contract)		1 216	1 321
Petty Cash		8	9
T&S Advance Dom		342	325
GG Accidents		(1)	(1)
Telephone /cell phone Debt		416	416
Subsidies Transport		932	1 025
Departmental debt/Employee/Ex-employee/Traffic fines/Erreous on house rent		107	37
Loss and damages		367	312
<b>Total</b>		<b>8 341</b>	<b>8 485</b>

### 12.4 Other receivables

	Note	2020/21	2019/20
	15	R'000	R'000
Municipal & Supplier Debt		20 922	20 818
External Debt		10 769	10 429
<b>Total</b>		<b>31 691</b>	<b>31 247</b>

### 12.5 Fruitless and wasteful expenditure

	Note	2020/21	2019/20
	15	R'000	R'000
Opening balance		12 960	12 963
Less amounts recovered		-	(7)
Transfers from note 32 Fruitless and Wasteful Expenditure		-	4
<b>Total</b>		<b>12 960</b>	<b>12 960</b>

### 12.6 Impairment of receivables

	Note	2020/21	2019/20
		R'000	R'000
Estimate of impairment of receivables		5 104	4 948
<b>Total</b>		<b>5 104</b>	<b>4 948</b>

### 13 Loans

	Note	2020/21	2019/20
		R'000	R'000
Public corporations		1 777	2 049
<b>Total</b>		<b>1 777</b>	<b>2 049</b>
<b>Analysis of Balance</b>			
Opening balance		2 049	2 910
New Issues		72	109
Repayments		(344)	(970)
<b>Closing balance</b>		<b>1 777</b>	<b>2 049</b>

#### 13.1 Impairment of loans

	Note	2020/21	2019/20
		R'000	R'000
Estimate of impairment of loans			
<b>Total</b>			

### 14 Voted funds to be surrendered to the Revenue Fund

	Note	2020/21	2019/20
		R'000	R'000
Opening balance		1 249 693	(37 916)
Prior period error			-
As restated		1 249 693	(37 916)
Transfer from statement of financial performance (as restated)		2 491 678	1 249 693
Paid during the year		(1 249 693)	37 916
<b>Closing balance</b>		<b>2 491 678</b>	<b>1 249 693</b>

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

	Note	2020/21	2019/20
		R'000	R'000
Opening balance		401	404
Prior period error			
As restated		401	404
Transfer from Statement of Financial Performance (as restated)		22 790	15 357
Paid during the year		(4 694)	(15 360)
<b>Closing balance</b>		<b>18 497</b>	<b>401</b>

## 16 Bank Overdraft

	Note	2020/21	2019/20
		R'000	R'000
Overdraft with commercial banks (Local)		4	4
<b>Total</b>		<b>4</b>	<b>4</b>

*The overdraft from standard bank charges will be paid in the following month.*

## 17 Payables – current

	Note	2020/21	2019/20
		R'000	R'000
Amounts owing to other entities		-	31
Clearing accounts	17.2	6 007	2 970
Other payables	17.3	7	-
<b>Total</b>		<b>6 014</b>	<b>3 001</b>

### 17.1 Clearing accounts

	17	2020/21	2019/20
	Note	R'000	R'000
Sal: Income Tax		4 972	2 800
Sal: Pension Fund		486	31
Sal: Garnishee Order		-	20
Sal: ACB Recalls		-	79
Sal: Reversal Control		439	36
Sal: Medical		82	4
Sal: Fin Institution Study Loan		28	-
<b>Total</b>		<b>6 007</b>	<b>2 970</b>

### 17.2 Other payables

	17	2020/21	2019/20
	Note	R'000	R'000
Payable: Adv: Pub Ent Adv Acc:CL		7	-
<b>Total</b>		<b>7</b>	<b>-</b>



## 18 Net cash flow available from operating activities

	Note	2020/21	2019/20
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		2 514 468	1 265 050
Add back non cash/cash movements not deemed operating activities		1 140 311	2 073 800
(Increase)/decrease in receivables		(1 566)	5 480
(Increase)/decrease in prepayments and advances		200 290	(342 127)
Increase/(decrease) in payables – current		3 013	(6 429)
Proceeds from sale of capital assets		(35)	(379)
Expenditure on capital assets		2 192 996	2 394 699
Surrenders to Revenue Fund		(1 254 387)	22 556
<b>Net cash flow generated by operating activities</b>		<b>3 654 779</b>	<b>3 338 850</b>

## 19 Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2020/21	2019/20
		R'000	R'000
Consolidated Paymaster General account		1 712 412	204 364
Disbursements		-	31
Cash on hand		70	70
Cash with commercial banks (Local)		73	45 801
<b>Total</b>		<b>1 712 555</b>	<b>250 266</b>

## 20 Contingent liabilities and contingent assets

### 20.1 Contingent liabilities

Liable to	Nature	Note	2020/21	2019/20
			R'000	R'000
Housing loan guarantees	Employees	Annex 3A	-	95
Other guarantees		Annex 3A	13 715 559	14 009 484
Claims against the department		Annex 3B	1 105 051	967 381
Intergovernmental payables (unconfirmed balances)		Annex 5	22 622	16 482
<b>Total</b>			<b>14 843 232</b>	<b>14 993 442</b>

*Prior year error: The opening balance Other Guarantees was understated and thereby adjusted from R13.993 billion to R14.009 billion. The net effect is an increase of R15.863 million.*

*Prior year error: The opening balance Claims Against the Department was understated and thereby adjusted from R963.560 million to R967.381 million. The net effect is an increase of R3.821 million.*

Contingent liabilities: Other Guarantees relates to Guarantees issued by the Department on behalf of Public Entities (Trans -Caledon Tunnel Authority (TCTA), Komati Basin Water Authority (KOBWA), Land bank) as financial support in the execution of their borrowing plans. Note: In terms of section 70 of the PFMA, Act 1 of 1999 (as amended by Act 29 of 1999) the Department is responsible for reporting on all guarantees that were issued to Public Entities under its control. Any payment under a guarantee will be a direct charge against the National Revenue fund via the Department. The amount disclosed in respect of other guarantees consists of closing balance and guaranteed interest as at 31 March 2021 reflected in Annexure 3A.

The Labour Appeal Court (LAC) declared the salary increases for the 2020/2021 financial year unlawful and invalid. The LAC ruling has been appealed and referred to the Constitutional Court. The ruling by the Constitutional Court will confirm if the department will be obligated to pay the salary increases in dispute.

### 20.2 Contingent assets

	Note	2020/21	2019/20
		R'000	R'000
SJ Dube		2 108	2 108
JS Nkuna		1 671	1 447
Fumile Advisor		17 900	17 900
Giyani Project		3 185 971	2 883 232
<b>Total</b>		<b>3 207 651</b>	<b>2 904 688</b>

The Department of Water & Sanitation has legal claims against several Parties of which the outcome is still uncertain.

Department has issued a tender for Mopani Water & Waste Water Emergency Intervention and the appointment for the Refurbishment & Repair of the Giyani Water & Waste Water Schemes. The project(s) was ceased and SIU filled court papers sought relieve and an order declaring the appointment of the contractor(s) to be unconstitutional, unlawful, invalid and void ab initio. In addition sought order that the contractor(s) should reimburse funds they have received excluding VAT plus interest at 10.5 p.a.

## 21 Capital commitments

	Note	2020/21	2019/20
		R'000	R'000
Computer equipment		6 078	3 506
Furniture and office equipment		506	882
Other machinery and equipment		1 846	569
Other fixed structures (infrastructure projects)		5 692 639	5 803 472
<b>Total</b>		<b>5 701 069</b>	<b>5 808 429</b>

Prior year error: The opening balance for Capital Commitment was understated and thereby adjusted from R4.842 billion to R5.808 billion due to omitted contracts. The net effect is an increase of R965,626 million.

## 22 Accruals and payables not recognised

### 22.1 Accruals

Listed by economic classification	30 Days	30+ Days	2020/21	2019/20
			R'000	R'000
			Total	Total
Goods and services	32 077	40 473	72 550	162 843
Transfers and subsidies	-	-	-	20
Capital assets	80 434	141 451	221 885	246 020
<b>Total</b>	<b>112 511</b>	<b>181 924</b>	<b>294 435</b>	<b>408 883</b>
		Note	2020/21	2019/20
Listed by programme level			R'000	R'000
Administration			45 230	16 675
Water Planning and Information Management			1 736	1 473
Water Infrastructure Development			246 570	389 878
Water Sector Regulation			899	857
<b>Total</b>			<b>294 435</b>	<b>408 883</b>

Prior year error: The opening balance for Accruals was understated and thereby adjusted from R377.698 million to R408.883 million due to omitted invoices, resulted into increase of R31.185 million.

## 222 Payables not recognised

Listed by economic classification	30 Days	30+ Days	2020/21	2019/20
			R'000	R'000
			Total	Total
Goods and services	81 560	355 538	437 098	510 338
Transfers and subsidies	-	18	18	-
Capital assets	91 114	55 917	147 031	41 743
<b>Total</b>	<b>172 674</b>	<b>411 473</b>	<b>584 147</b>	<b>552 081</b>
		<i>Note</i>	<b>2020/21</b>	<b>2019/20</b>
<b>Listed by programme level</b>			<b>R'000</b>	<b>R'000</b>
Administration			1 638	2 418
Water Planning and Information Management			111 710	118 832
Water Infrastructure Development			470 386	430 817
Water Sector Regulation			413	14
<b>Total</b>			<b>584 147</b>	<b>552 081</b>
		<i>Note</i>	<b>2020/21</b>	<b>2019/20</b>
<b>Included in the above totals are the following:</b>			<b>R'000</b>	<b>R'000</b>
Confirmed balances with other departments		<i>Annex 5</i>	12 710	1 435
Confirmed balances with other government entities		<i>Annex 5</i>	33 509	24 786
<b>Total</b>			<b>46 219</b>	<b>26 221</b>

## 23 Employee benefits

	Note	2020/21	2019/20
		R'000	R'000
Leave entitlement		144 036	85 335
Service bonus		43 104	44 449
Performance awards		18	22 659
Capped leave		63 714	73 243
Other (Long service award)		1 856	2 281
<b>Total</b>		<b>252 728</b>	<b>227 967</b>

An increase on leave entitlement in the 2020/21 financial year is a result of delay in official taking leaves due to Covid 19 regulation.

## 24 Lease commitments

### 24.1 Finance leases \*\*

2020/21	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	3 637	3 637
Later than 1 year and not later than 5 years	-	-	-	3 841	3 841
Later than five years	-	-	-	-	-
<b>Total lease commitments</b>	-	-	-	<b>7 478</b>	<b>7 478</b>

2019/20	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	-	-	-	2 977	2 977
Later than 1 year and not later than 5 years	-	-	-	1 626	1 626
Later than five years	-	-	-	-	-
<b>Total lease commitments</b>	-	-	-	<b>4 603</b>	<b>4 603</b>

## 25 Irregular expenditure

### 25.1 Reconciliation of irregular expenditure

	Note	2020/21	2019/20
		R'000	R'000
Opening balance		9 632 915	9 285 547
Prior period error			
As restated		9 632 915	9 285 547
Add: Irregular expenditure – relating to prior year		6 075	124 479
Add: Irregular expenditure – relating to current year		264 622	570 118
Less: Prior year amounts condoned		-	(347 229)
<b>Closing balance</b>		<b>9 903 612</b>	<b>9 632 915</b>
<b>Analysis of closing balance</b>			
Current year		264 622	570 118
Prior years		9 638 990	9 062 797
<b>Total</b>		<b>9 903 612</b>	<b>9 632 915</b>

## 22 Details of current and prior year irregular expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/ criminal proceedings	2020/21 R'000
<b>Goods &amp; Services</b>		
LIM-Proper recruitment processes not followed in appointing an official – 22304215	Case still under investigation	933
HO-Bidder inappropriately disqualification of a bidder - CAPS Trading	Case still under investigation	12 432
Discrepancies with the Bid Specifications ( Limiting the market and contravention of Section 217 of the Constitution) -EOH Mthombo	Case still under investigation	54 198
Bidder failing to disclose conflict of Interest (BJE/IX/WRP Joint Venture)	Case still under investigation	834
HO- Bid awarded not in line with the advertised evaluation criteria/ wrongful award in contravention of Section 217: Security Services (Sakhile Ezweni) -	Case still under investigation	9 369
FS -Bid awarded not in line with the advertised evaluation criteria/ wrongful award in contravention of Section 217: Security Services (Eastern Guard Security) -	Case still under investigation	388
NW-Bid awarded not in line with the advertised evaluation criteria/ wrongful award in contravention of Section 217: Security Services (Bathokomedi Security) -	Case still under investigation	1 943
GP-Bid awarded not in line with the advertised evaluation criteria/ wrongful award in contravention of Section 217 (Bathokomedi Security)	Case still under investigation	1 078
NC-Bid awarded not in line with the advertised evaluation criteria/ wrongful award in contravention of Section 217: Security Services (Fidelity Security )	Case still under investigation	884
WC-Bid awarded not in line with the advertised evaluation criteria/ wrongful award in contravention of Section 217: Security Services (Xhobani Security )	Case still under investigation	1 305
EC-Bid awarded not in line with the advertised evaluation criteria/ wrongful award in contravention of Section 217: Security Services (Xhobani Security)	Case still under investigation	2 281
LIM-Bid awarded not in line with the advertised evaluation criteria/ wrongful award in contravention of Section 217: Security Services (Khayalami Security)	Case still under investigation	8 537
MPU-Bid awarded not in line with the advertised evaluation criteria/ wrongful award in contravention of Section 217: Security Services (Mafoko Security)	Case still under investigation	1 981
Procurement processes not followed in awarding the contract: Webber Wentzel(Legal Fees)	Case still under investigation	1 245
Procurement processes not followed in awarding the contract:Open Water	Case still under investigation	4 849
The awards did not specify the minimum threshold for local production and content-Mason Complete Office Solution	Case still under investigation	68
The awards did not specify the minimum threshold for local production and content-Sesana Group	Case still under investigation	266
Procurement processes not followed in extending the contract: Gift of the Givers	Case still under investigation	20 376
DHM Medical Innovations	Case still under investigation	6
Procurement processes not followed in awarding the contract:Dube ZT	Case still under investigation	1 098

Incident	Disciplinary steps taken/criminal proceedings	2020/21 R'000
<b>INFRASTRUCTURE</b>		
Contract extended without prior approval by the delegated official: PCISA, ENZANI AND CMC	Case still under investigation	15 823
NW-Axton Matrix(Magalies Water) Expenditure exceeded the commitment balance	Case still under investigation	13 437
LIMP-Proper procurement procedures were not followed when appointing contractors (Lepelle Northern Water)	Case still under investigation	81 296
GP :ERWAT(Operation and Maintenance contract exceeded the contract amount)	Case still under investigation	29 995
<b>PRIOR YEAR INFRASTRUCTURE</b>		
EC-Stefatti Stocks	Case still under investigation	5 893
LQT Business TRADING	Case still under investigation	74
Ntathakusa Trading Enterprise	Case still under investigation	43
Mangeleti Consulting	Case still under investigation	65
<b>Total</b>		<b>270 697</b>

### 25.3 Prior period error

	Note	2019/20
		R'000
<b>Nature of prior period error</b>		
Relating to xxx/xx [affecting the opening balance]		
Relating to 2019/20 affecting the opening balance of 2020/21		
NW- commitment balance (Axton Matrix)		(104)
LIM-Proper processes not followed in appointing an official - 22304215		77
<b>Total prior period errors</b>		<b>(27)</b>



## 26 Fruitless and wasteful expenditure

### 26.1 Reconciliation of fruitless and wasteful expenditure

	Note	2020/21	2019/20
		R'000	R'000
Opening balance		76 304	76 288
Prior period error			-
As restated		76 304	76 288
Fruitless and wasteful expenditure – relating to current year	26.2	14	20
Less: Amounts recoverable	15.6	-	(4)
Less: Amounts written off		(12 766)	-
<b>Closing balance</b>		<b>63 552</b>	<b>76 304</b>

### 26.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2020/21 R'000
No show Accommodation	Under investigation	2
Bursaries – Interest charged	Under investigation	4
License – Interest charged	Under investigation	8
<b>Total</b>		<b>14</b>

### 26.3 Details of fruitless and wasteful expenditure written off

Incident	2020/21 R'000
Amatola Water Board standing time and interest	12 766
<b>Total</b>	<b>12 766</b>

### 26.4 Details of fruitless and wasteful expenditure under investigation (not in the main note)

Incident	2020/21 R'000
Standing Time and Interest on late payment	8 682
<b>Total</b>	<b>8 682</b>

## 27 Related party transactions

All departments and public entities in the national sphere of government are related parties. Below is the listing of entities reporting directly to the Minister of Human Settlements, Water and Sanitation:-

**Water and Sanitation:-** Amatola Water; Bloem Water; Lepelle Northern; Magalies Water; Mhlathuze Water; Overberg Water; Rand Water; Sedibeng Water; Umgeni Water; Breede-Gouritz Management Agency; Inkomati-Usuthu Catchment Management Agency; Komati Basin Water Authority; Trans-Caledon Tunnel Authority; Water Research Commission; Water Trading Account; International Transboundary; Orange-Senqu; Limpopo Commission; IncoMaputo.

**Irrigation Boards and Water User Associations in the national sphere of government are related parties. Below is the listing of related parties:-**

Agterkliphooft; Bellair; Buffelskloof; Cogmanskloof; Gamkarivier; Haarlem; Illovo; Kanoneiland; Manchester Noordwyk; Noord Agter Paarl; Perdeberg; Sondagsrivier (Elandslaagte); Suid Agter Paarl; Uitnood.

**Human Settlement:-** South African Housing Fund, National Home Builders Registration Council, National Housing Finance Corporation, Thubelisha Homes, Housing Development Agency, Social Housing Regulatory Authority, Estate Agency Affairs Board and Community Scheme Ombuds Service.

## 28 Key management personnel

	No. of Individuals	2020/21 R'000	2019/20 R'000
Political office bearers (provide detail below)	2	1 978	5 214
Officials:			
Level 15 to 16	9	18 126	12 268
Level 14 (incl CFO if at a lower level)	43	55 386	52 920
Family members of key management personnel	1	506	958
<b>Total</b>		<b>75 996</b>	<b>71 360</b>

### Ministerial Committees

<i>National Rapid Response Task Team</i>			
Xolile Burns Ncamashe		805	667
Suliwe Ancedile Sihlwayi		663	315
Chumani Maxwele		453	364
Mogomotsi Mogodiri		10	358
Ms Noli Qunta		712	315
Likhaya Nqgezana		1 256	354
Carla Motau		665	306
Mahle Khuzani		602	328
Gado Dichoetlise		7	259
Raphuti DD		567	-
Masoeu MJ		518	-
Samuel T		571	-
<b>Sub total</b>		<b>6 829</b>	<b>3 266</b>
<i>Water Advisory Committee</i>			
T Balzer		477	471
AM Muller		949	363
B Scheiner		573	156
MA Diedricks		188	205
M Sirenya		1 518	-
N Mabaya		1 541	-
J Kogl		2 639	658
<b>Sub total</b>		<b>7 885</b>	<b>1 853</b>

	No. of Individuals	2020/21 R'000	2019/20 R'000
<i>Stabilisation and efficient functioning of the water sector committee</i>			
B Chaplog		590	466
W Dukuza		993	488
D Mgaga		986	488
J De Lange		19	32
S Shabangu		958	244
M Shaik		231	77
CF Kellerrman		735	524
Dr M Kruger		-	425
MJT Ndlovu		1 076	418
M Van Eck		-	438
R Crown		735	523
A Mbatsha		842	383
D Mnguni		841	355
EP Heynes		845	-
<b>Sub total</b>		<b>8 851</b>	<b>4 861</b>
<i>Water Services Committee</i>			
Dr M Kruger		1 752	
M Mdekazi		1 741	
C D Otieno		1 572	
K Nxumalo		1 257	
L Johnson		534	
N Mbina-Mthembu		1 432	
Maphazi N		899	
<b>Sub total</b>		<b>9 187</b>	
<i>Disciplinary Advisory Committee</i>			
Ms S Shabangu		572	
Adv J de Lange		81	
Ms W Dukuza		522	
Mr D Mgaga		627	
Mr S Mbatshe		418	
Ms M Mokwena		408	
Mr P Douglas		-	
Mr R Sibiya		512	
<b>Sub total</b>		<b>3 140</b>	
<b>Total</b>		<b>35 892</b>	<b>9 980</b>

## 29 Movable Tangible Capital Assets

### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>					
Transport assets	17 500	-	61 064	-	78 564
Computer equipment	152 182	59	15 257	(3 688)	163 810
Furniture and office equipment	56 715	67	1 978	(99)	58 661
Other machinery and equipment	241 527	38	8 256	(6 705)	243 116
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>467 924</b>	<b>164</b>	<b>86 555</b>	<b>(10 492)</b>	<b>544 151</b>

#### Movable Tangible Capital Assets under investigation

	Number	Value
		R'000
<b>Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:</b>		
Machinery and equipment	582	7 432

## 29.1 Additions

### ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Cash*	Non-cash**	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>					
Transport assets	61 064	-	-	-	61 064
Computer equipment	15 646	-	-	(389)	15 257
Furniture and office equipment	1 978	-	-	-	1 978
Other machinery and equipment	12 984	-	(4 692)	(36)	8 256
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>91 672</b>	<b>-</b>	<b>(4 692)</b>	<b>(425)</b>	<b>86 555</b>

## 29.2 Disposals

### DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>				
Transport assets	-	-	-	-
Computer equipment	3 688	-	3 688	25
Furniture and office equipment	99	-	99	-
Other machinery and equipment	6 705	-	6 705	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>10 492</b>	<b>-</b>	<b>10 492</b>	<b>25</b>

## 29.3 Movement for 2019/20

### MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>					
Transport assets	19 181	-	1 827	(3 508)	17 500
Computer equipment	144 462	-	15 416	(7 696)	152 182
Furniture and office equipment	55 009	-	2 453	(747)	56 715
Other machinery and equipment	234 300	96	16 343	(9 212)	241 527
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>452 952</b>	<b>96</b>	<b>36 039</b>	<b>(21 163)</b>	<b>467 924</b>

### 29.3.1 Prior period error

	Note	2019/20
		R'000
<b>Nature of prior period error</b>		
Relating to 2019/20 <i>[affecting the opening balance]</i>		
Relates to non-cash additions not recognized previously		96
<b>Total prior period errors</b>		<b>96</b>

## 29.4 Minor assets

### MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2021

	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	-	58	-	82 058	-	82 116
Value adjustments	-	-	-	190	-	190
Additions	-	-	-	1 635	-	1 635
Disposals	-	-	-	(1 306)	-	(1 306)
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>58</b>	<b>-</b>	<b>82 577</b>	<b>-</b>	<b>82 635</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	28 883	-	28 883
Number of minor assets at cost	-	-	-	48 131	-	48 131
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77 014</b>	<b>-</b>	<b>77 014</b>

#### Minor Capital Assets under investigation

	Number	Value
		R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	75	202

### MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2020

	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	-	58	-	80 331	-	80 389
Prior period error	-	-	-	-	-	-
Additions	-	-	-	9 091	-	9 091
Disposals	-	-	-	(7 364)	-	(7 364)
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>58</b>	<b>-</b>	<b>82 058</b>	<b>-</b>	<b>82 116</b>



	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	29 243	-	29 243
Number of minor assets at cost	-	19	-	51 113	-	51 132
<b>TOTAL NUMBER OF MINOR ASSETS</b>	-	<b>19</b>	-	<b>80 356</b>	-	<b>80 375</b>

## 29.5 Movable assets written off

### MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2021

	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	-	-	-	9 369	-	<b>9 369</b>
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	-	-	-	<b>9 369</b>	-	<b>9 369</b>

### MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2020

	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	-	-	-	28 023	-	28 023
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	-	-	-	<b>28 023</b>	-	<b>28 023</b>

## 29.6 S42 Movable capital assets

### MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2021

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets	-	-	-	-	-	-
Value of the assets (R'000)	-	-	-	-	-	-

### MINOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2021

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets	-	-	-	-	-	-
Value of the assets (R'000)	-	-	-	-	-	-

No assets were transferred (Major and Minor) during the period under review.

### MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2020

	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
No. of Assets				117		117
Value of the assets (R'000)				10 378		10 378

### MINOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2020

	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
No. of Assets				6		6
Value of the assets (R'000)				24		24

### 30 Intangible Capital Assets

#### MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	206 638	-	37 753	-	244 391
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	5 468	-	-	-	5 468
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>212 106</b>	<b>-</b>	<b>37 753</b>	<b>-</b>	<b>249 859</b>

#### Intangible Capital Assets under investigation

	Number	Value
		R'000
Included in the above total of the intangible capital assets per the asset register are assets that are under investigation:		
Software		
Patents, licences, copyright, brand names, trademarks		

### 30.1 Additions

#### ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Cash	Non-Cash	(Develop-ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	37 753	-	-	-	37 753
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>37 753</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37 753</b>

### 30.2 Movement for 2019/20

#### MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	177 299	-	29 339	-	206 638
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	5 468	-	-	-	5 468
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>182 767</b>	<b>-</b>	<b>29 339</b>	<b>-</b>	<b>212 106</b>

### 31 Immovable Tangible Capital Assets

#### MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000		R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>8 363 288</b>	<b>-</b>	<b>293 715</b>	<b>(233 949)</b>	<b>8 423 054</b>
Dwellings	3 001	-	-	-	3 001
Non-residential buildings	6 923	-	-	-	6 923
Other fixed structures	8 353 364	-	293 715	(233 949)	8 413 130
<b>LAND AND SUBSOIL ASSETS</b>	<b>11 503</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11 503</b>
Land	11 503	-	-	-	11 503
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>8 374 791</b>	<b>-</b>	<b>293 715</b>	<b>(233 949)</b>	<b>8 434 557</b>

#### Immovable Tangible Capital Assets under investigation

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

### 31.1 Additions

#### ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>					
Other fixed structures	2 063 571	293 715	(2 063 571)	-	293 715
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>2 063 571</b>	<b>293 715</b>	<b>(2 063 571)</b>	<b>-</b>	<b>293 715</b>

### 31.2 Disposals

#### DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>				
Other fixed structures	-	233 949	233 949	-
<b>TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>233 949</b>	<b>233 949</b>	<b>-</b>

### 31.3 Movement for 2019/20

#### MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	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>7 171 968</b>	<b>1 778 425</b>	<b>2 917 471</b>	<b>(3 504 576)</b>	<b>8 363 288</b>
Dwellings	3 001	-	-	-	3 001
Non-residential buildings	6 923	-	-	-	6 923
Other fixed structures	7 162 044	1 778 425	2 917 471	(3 504 576)	8 353 364
<b>LAND AND SUBSOIL ASSETS</b>	<b>11 503</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11 503</b>
Land	11 503	-	-	-	11 503
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>7 183 471</b>	<b>1 778 425</b>	<b>2 917 471</b>	<b>(4 285 812)</b>	<b>8 374 791</b>

#### 31.3.1 Prior period error

	Note	2019/20
		R'000
<b>Nature of prior period error</b>		
Relating to 2019/20 <i>[affecting the opening balance]</i>		
Relating to completed project previously not reported		1 778 425
		<b>1 778 425</b>

### 31.4 Capital Work-in-progress

#### CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

	Note	Opening balance 1 April 2020	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2021
	Annexure 7	R'000	R'000	R'000	R'000
Buildings and other fixed structures		22 008 225	2 063 572	(293 715)	23 778 082
<b>TOTAL</b>		<b>22 008 225</b>	<b>2 063 572</b>	<b>(293 715)</b>	<b>23 778 082</b>

Age analysis on ongoing projects	Number of projects		2020/21
	Planned, Construction not started	Planned, Construction started	Total R'000
0 to 1 Year	4	12	512 507
1 to 3 Years	6	1	683 287
3 to 5 Years	5	3	1 302 137
Longer than 5 Years	7	65	27 389 583
<b>Total</b>	<b>22</b>	<b>81</b>	<b>29 887 514</b>

Payables not recognised relating to Capital WIP	Note	2020/21	2019/20
		R'000	R'000
<i>[Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress]</i>		137 384	32 974
<b>Total</b>		<b>137 384</b>	<b>32 974</b>

## CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2020

	Note	Opening balance 1 April 2019	Prior period error	Current Year WIP	Ready for use (Assets to the AR) ) / Contracts terminated	Closing balance 31 March 2020
	Annexure 7	R'000	R'000	R'000	R'000	R'000
Buildings and other fixed structures		24 456 867	-	2 247 254	(4 695 896)	22 008 225
<b>TOTAL</b>		<b>24 456 867</b>	<b>-</b>	<b>2 247 254</b>	<b>(4 695 896)</b>	<b>22 008 225</b>

Age analysis on ongoing projects	Number of projects		2019/20
	Planned, Construction not started	Planned, Construction started	Total R'000
0 to 1 Year	-	3	236 283
1 to 3 Years	6	6	1 689 046
3 to 5 Years	5	12	5 630 692
Longer than 5 Years	12	62	27 653 541
<b>Total</b>	<b>23</b>	<b>83</b>	<b>35 209 562</b>

## 31.5 S42 Immovable assets

## Assets to be transferred in terms of S42 of the PFMA – 2020/21

	Number of assets	Value of assets
		R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>		
Other fixed structures	404	8 309 957
<b>TOTAL</b>	<b>404</b>	<b>8 309 957</b>

## Assets to be transferred in terms of S42 of the PFMA – 2019/20

	Number of assets	Value of assets
		R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>		
Other fixed structures	346	6 549 717
<b>TOTAL</b>	<b>346</b>	<b>6 549 717</b>



## 32 Principal-agent arrangement

### 32.1 Department acting as the principal

	2020/21	2019/20
	R'000	R'000
Regional Bulk Infrastructure Grant (RBIG)	37 555	37 997
Water Services Infrastructure Grant (WSIG)	2 763	2 965
<b>Total</b>	<b>40 318</b>	<b>40 962</b>

The Department is party to a principal-agent arrangement for implementation of the water and sanitation projects through arrangements with various water boards and municipalities. In terms of the arrangement the Department is the principal and is responsible for project funding and accountability to Parliament. During the financial year under review the Department paid management fee of R40million (R41 million 2019/20) to various implementing agents (municipalities and water boards). The nature circumstances and terms relating to the arrangements differ from one implementing agents to another.

Implementing Agency	Amount
Rand Water	1 800
Lepelle Northern Water	13 106
Sedibeng Water	12 337
Gert Sibande DM	6 821
Mhlathuzi Water	121
Magalies Water	4 140
Amatola Water	1 993
<b>TOTAL</b>	<b>40 318</b>

### 33 Prior period errors

	Note	Amount bef error correction	Prior period error	Restated Amount
		2019/20	2019/20	2019/20
		R'000	R'000	R'000
<b>Assets:</b>				
Immovable Tangible Capital Assets		6 574 939	1 778 425	8 353 364
<b>Net effect</b>		<b>6 574 939</b>	<b>1 778 425</b>	<b>8 353 364</b>

*Completed assets previously not reported*

<b>Liabilities:</b>				
Other Guarantees		13 993 621	15 863	14 009 484
Claims Against Department		963 560	3 821	967 381
Capital Commitment		4 842 803	965 626	5 808 429
Accruals		377 698	31 185	408 883
<b>Net effect</b>		<b>20 177 682</b>	<b>1 016 495</b>	<b>21 194 177</b>

*Prior year error: The opening balance Other Guarantees was understated and thereby adjusted from R13.993 billion to R14.009 billion. The net effect is an increase of R15.863 million.*

*Prior year error: The opening balance Claims Against the Department was understated and thereby adjusted from R963.560 million to R967.381 million. The net effect is an increase of R3.821 million.*

*Prior year error: The opening balance for Capital Commitment was understated and thereby adjusted from R4.842 billion to R5.808 billion due to ommitted contracts. The net effect is an increase of R965.626 million.*

*Prior year error: The opening balance for Accruals was understated and thereby adjusted from R377.698 million to R408.883 million due to omitted invoices, resulted into increase of R31.185 million.*

<b>Other:</b>				
Irregular Expenditure		9 632 942	(27)	9 632 915
<b>Net effect</b>		<b>9 632 942</b>	<b>(27)</b>	<b>9 632 915</b>

*Prior year error: The opening balance of Irregular Expenditure was overstated and thereby the net effect is a decrease of R27 thousand.*

## 34 STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION						SPENT				2019/20	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (Overspending)	% of available funds spent by department	Division of Revenue Act	Amount spent by department	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Water Services Infrastructure Grant (WSIG): Direct Grant	3 367 557	-	-	-	3 367 557	3 367 557	3 367 557	-	100%	3 669 319	3 669 319	
Regional Bulk Infrastructure Grant (RBIG): Direct Grant	2 005 605	-	-	-	2 005 605	2 005 605	2 005 605	-	100%	2 066 360	2 028 516	
Regional Bulk Infrastructure Grant (RBIG): Indirect Grant	3 487 951	-	-	-	3 487 951	3 487 951	1 714 712	1 773 239	49%	3 094 450	2 292 382	
Water Services Infrastructure Grant (WSIG): Indirect Grant	591 064	-	-	-	591 064	591 064	314 907	276 157	53%	644 085	548 285	
	<b>9 452 177</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 452 177</b>	<b>9 452 177</b>	<b>7 402 781</b>	<b>2 049 396</b>	<b>78%</b>	<b>9 474 214</b>	<b>8 538 502</b>	

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

## 35 STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	2020/21						2019/20	
	GRANT ALLOCATION			TRANSFER			Division of Revenue Act	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	
<b>Water Services Infrastructure Grant (WSIG)</b>	<b>3 367 557</b>	-	-	<b>3 367 557</b>	<b>3 367 557</b>	-	<b>3 669 319</b>	<b>3 669 319</b>
<b>Eastern Cape Province</b>	<b>461 950</b>	-	<b>(8 000)</b>	<b>453 950</b>	<b>453 950</b>	-	<b>520 461</b>	<b>520 461</b>
EC101 Dr Beyers Naude Local Municipality	7 000	-	-	7 000	7 000	-	7 000	7 000
EC102 Blue Crane Route Local Municipality	15 000	-	5 499	20 499	20 499	-	13 000	13 000
EC104 Makana Local Municipality	20 000	-	6 000	26 000	26 000	-	20 000	20 000
EC105 Ndlambe Local Municipality	15 000	-	-	15 000	15 000	-	-	-
EC106 Sundays River Valley Local Municipality	10 000	-	-	10 000	10 000	-	-	-
EC108 Kouga Local Municipality	-	-	-	-	-	-	10 000	10 000
EC109 Kou-Kamma Local Municipality	-	-	-	-	-	-	10 000	10 000
DC12 Amatole District Municipality	80 000	-	12 101	92 101	92 101	-	102 000	102 000
DC13 Chris Hani District Municipality	70 000	-	-	70 000	70 000	-	84 461	84 461
DC14 Joe Gqabi District Municipality	70 000	-	-	70 000	70 000	-	84 000	84 000

NAME OF MUNICIPALITY	2020/21						2019/20		
	GRANT ALLOCATION			TRANSFER			Re-allocations by National Treasury or National Department	Division of Revenue Act	
	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	R'000	
DC15 O.R Tambo District Municipality	80 000	-	(31 600)	48 400	48 400	-	-	100 000	100 000
DC44 Alfred Nzo District Municipality	94 950	-	-	94 950	94 950	-	-	90 000	90 000
<b>Free State Province</b>	<b>415 636</b>	<b>-</b>	<b>(6 250)</b>	<b>409 386</b>	<b>409 386</b>	<b>-</b>	<b>-</b>	<b>279 823</b>	<b>279 823</b>
FS161 Letsemeng Local Municipality	24 201	-	-	24 201	24 201	-	-	24 000	24 000
FS162 Kopanong Local Municipality	22 000	-	8 000	30 000	30 000	-	-	20 000	20 000
FS163 Mokare Local Municipality	28 025	-	-	28 025	28 025	-	-	30 000	30 000
FS181 Masiyonyana Local Municipality	17 000	-	14 000	31 000	31 000	-	-	10 000	10 000
FS182 Tokologo Local Municipality	12 000	-	(5 000)	7 000	7 000	-	-	10 000	10 000
FS183 Tswelopele Local Municipality	10 000	-	1 000	11 000	11 000	-	-	-	-
FS184 Matjhabeng Local Municipality	35 000	-	-	35 000	35 000	-	-	36 000	36 000
FS185 Nala Local Municipality	10 000	-	-	10 000	10 000	-	-	-	-
FS191 Setsoto Local Municipality	26 375	-	(7 000)	19 375	19 375	-	-	12 500	12 500
FS192 Dihlabeng Local Municipality	15 110	-	-	15 110	15 110	-	-	14 323	14 323
FS193 Nketoana Local Municipality	30 500	-	(20 500)	10 000	10 000	-	-	6 000	6 000

NAME OF MUNICIPALITY	2020/21						2019/20		
	GRANT ALLOCATION			TRANSFER			Re-allocations by National Treasury or National Department	Division of Revenue Act	
	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	R'000	
FS194 Maluti-a-phofung Local Municipality	50 000	-	20 000	70 000	70 000	-	-	35 000	35 000
FS195 Phumelela Local Municipality	21 100	-	-	21 100	21 100	-	-	17 000	17 000
FS196 Mantsopa Local Municipality	30 000	-	-	30 000	30 000	-	-	8 000	8 000
FS201 Mophaka Local Municipality	19 325	-	(3 500)	15 825	15 825	-	-	15 000	15 000
FS203 Ngwathe Local Municipality	25 000	-	-	25 000	25 000	-	-	13 000	13 000
FS204 Metsimaholo Local Municipality	25 000	-	(13 250)	11 750	11 750	-	-	15 000	15 000
FS205 Mafube Local Municipality	15 000	-	-	15 000	15 000	-	-	14 000	14 000
<b>Gauteng Province</b>	<b>165 060</b>	-	-	<b>165 060</b>	<b>165 060</b>	-	-	<b>169 891</b>	<b>169 891</b>
GT422 Midvaal Local Municipality	15 825	-	-	15 825	15 825	-	-	15 000	15 000
GT423 Lesedi Local Municipality	15 825	-	(5 825)	10 000	10 000	-	-	15 000	15 000
DC42 Sedibeng District Municipality	15 825	-	(15 825)	-	-	-	-	-	-
GT481 Mogale City Local Municipality	42 200	-	-	42 200	42 200	-	-	40 000	40 000
GT484 Merafong City Local Municipality	36 925	-	21 650	58 575	58 575	-	-	35 000	35 000

NAME OF MUNICIPALITY	2020/21						2019/20		
	GRANT ALLOCATION			TRANSFER			Re-allocations by National Treasury or National Department	Division of Revenue Act	
	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	R'000	
GT485 Westonaria/Randfontein Local Municipality	38 460	-	-	38 460	38 460	-	-	64 891	64 891
<b>Kwa-Zulu Natal Province</b>	<b>799 760</b>	-	<b>11 301</b>	<b>811 061</b>	<b>811 061</b>	-	-	<b>872 374</b>	<b>872 374</b>
DC21 Ugu District Municipality	50 000	-	-	50 000	50 000	-	-	50 000	50 000
KZN225 Msunduzi Local Municipality	33 255	-	11 301	44 556	44 556	-	-	53 000	53 000
DC22 uMgungundlovu District Municipality	80 000	-	-	80 000	80 000	-	-	80 000	80 000
DC23 uThukela District Municipality	90 000	-	-	90 000	90 000	-	-	108 000	108 000
DC24 uMzinyathi District Municipality	78 235	-	-	78 235	78 235	-	-	68 374	68 374
KZN252 Newcastle Local Municipality	35 000	-	-	35 000	35 000	-	-	40 000	40 000
DC25 aMajuba District Municipality	50 000	-	-	50 000	50 000	-	-	46 000	46 000
DC26 Zululand District Municipality	105 500	-	-	105 500	105 500	-	-	100 000	100 000
DC27 uMkhanyakude District Municipality	67 770	-	-	67 770	67 770	-	-	80 000	80 000
KZN 282 uMhlatuze Local Municipality	25 000	-	-	25 000	25 000	-	-	25 000	25 000
DC28 King Cetshwayo District Municipality	60 000	-	-	60 000	60 000	-	-	100 000	100 000

NAME OF MUNICIPALITY	2020/21						2019/20	
	GRANT ALLOCATION			TRANSFER			Re-allocations by National Treasury or National Department	Division of Revenue Act
	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	
DC29 Ilembe District Municipality	65 000	-	-	65 000	65 000	-	-	62 000
DC43 Harry Gwala District Municipality	60 000	-	-	60 000	60 000	-	-	60 000
<b>Limpopo Province</b>	<b>397 746</b>	-	<b>(40 000)</b>	<b>357 746</b>	<b>357 746</b>	-	-	<b>546 650</b>
DC33 Mopani District Municipality	45 000	-	-	45 000	45 000	-	-	40 000
DC34 Vhembe District Municipality	52 750	-	(40 000)	12 750	12 750	-	-	50 000
LIM354 Polokwane Local Municipality	50 000	-	-	50 000	50 000	-	-	96 650
DC35 Capricorn District Municipality	80 000	-	-	80 000	80 000	-	-	145 000
LIM 362 Lephalale Local Municipality	35 200	-	(10 000)	25 200	25 200	-	-	40 000
LIM 366 Bela Bela Local Municipality	37 475	-	10 000	47 475	47 475	-	-	45 000
LIM 367 Mogalakwena Local Municipality	43 850	-	-	43 850	43 850	-	-	70 000
DC47 Greater Sekhukhune District Municipality	53 471	-	-	53 471	53 471	-	-	60 000
<b>Mpumalanga Province</b>	<b>402 375</b>	-	-	<b>402 375</b>	<b>402 375</b>	-	-	<b>508 000</b>
MP301 Albert Luthuli Local Municipality	26 375	-	-	26 375	26 375	-	-	50 000
MP302 Msukaligwa Local Municipality	20 000	-	-	20 000	20 000	-	-	55 000



NAME OF MUNICIPALITY	2020/21						2019/20		
	GRANT ALLOCATION			TRANSFER			Re-allocations by National Treasury or National Department	Division of Revenue Act	
	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	R'000	
MP303 Mkhondo Local Municipality	56 000	-	-	56 000	56 000	-	-	30 000	30 000
MP304 Pixley Ka Seme Local Municipality	30 000	-	-	30 000	30 000	-	-	28 000	28 000
MP307 Govan Mbeki Local Municipality	30 000	-	-	30 000	30 000	-	-	20 000	20 000
MP312 Emalahleni Local Municipality	-	-	-	-	-	-	-	27 000	27 000
MP313 Steve Tshwete Local Municipality	25 000	-	-	25 000	25 000	-	-	30 000	30 000
MP314 Emakhazeni Local Municipality	30 000	-	-	30 000	30 000	-	-	50 000	50 000
MP315 Thembisile Local Municipality	50 000	-	-	50 000	50 000	-	-	60 000	60 000
MP321 Thaba Chweu Local Municipality	15 000	-	-	15 000	15 000	-	-	15 000	15 000
MP324 Nkomazi Local Municipality	40 000	-	-	40 000	40 000	-	-	53 000	53 000
MP325 Bushbuckridge Local Municipality	80 000	-	-	80 000	80 000	-	-	90 000	90 000
<b>Northern Cape Province</b>	<b>300 743</b>	-	<b>32 949</b>	<b>333 692</b>	<b>333 692</b>	-	-	<b>319 620</b>	<b>319 620</b>
NC451 Joe Morolong Local Municipality	49 999	-	6 001	56 000	56 000	-	-	50 000	50 000
NC452 Gasegonyana Local Municipality	40 000	-	-	40 000	40 000	-	-	110 000	110 000
NC453 Gamagara Local Municipality	15 000	-	(5 300)	9 700	9 700	-	-	25 000	25 000

NAME OF MUNICIPALITY	2020/21						2019/20		
	GRANT ALLOCATION			TRANSFER			Re-allocations by National Treasury or National Department	Division of Revenue Act	
	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	R'000	
NC061 Richtersveld Local Municipality	10 000	-	-	10 000	10 000	-	-	1 500	1 500
NC062 Nama Khoi Local Municipality	16 700	-	10 000	26 700	26 700	-	-	15 000	15 000
NC064 Kamiesberg Local Municipality	12 000	-	-	12 000	12 000	-	-	5 000	5 000
NC065 Hantam Local Municipality	24 000	-	9 000	33 000	33 000	-	-	20 000	20 000
NC071 Ubuntu Local Municipality	7 500	-	3 000	10 500	10 500	-	-	5 200	5 200
NC072 Umsobomvu Local Municipality	3 300	-	-	3 300	3 300	-	-	16 320	16 320
NC074 Kareeberg Local Municipality	15 000	-	(5 000)	10 000	10 000	-	-	-	-
NC077 Siyathemba Local Municipality	26 271	-	4 000	30 271	30 271	-	-	6 700	6 700
NC078 Siyancuma Local Municipality	15 000	-	6 749	21 749	21 749	-	-	7 000	7 000
NC082 iKai! Garib Local Municipality	2 000	-	-	2 000	2 000	-	-	-	-
NC086 Kgatelopele Local Municipality	8 000	-	15 000	23 000	23 000	-	-	-	-
NC087 //Khara Hais/Mier Local Municipality	15 000	-	-	15 000	15 000	-	-	8 600	8 600
NC091 Sol Plaatjie Local Municipality	12 973	-	(1)	12 972	12 972	-	-	14 300	14 300

NAME OF MUNICIPALITY	2020/21						2019/20		
	GRANT ALLOCATION			TRANSFER			Re-allocations by National Treasury or National Department	Division of Revenue Act	
	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	R'000	
NC092 Dikgatlong Local Municipality	7 000	-	-	7 000	7 000	-	-	-	-
NC094 Phokwane Local Municipality	21 000	-	(10 500)	10 500	10 500	-	-	35 000	35 000
<b>North West Province</b>	<b>308 265</b>	<b>-</b>	<b>10 000</b>	<b>318 265</b>	<b>318 265</b>	<b>-</b>	<b>-</b>	<b>328 000</b>	<b>328 000</b>
NW371 Moretele Local Municipality	84 400	-	-	84 400	84 400	-	-	80 000	80 000
NW373 Rustenburg Local Municipality	72 840	-	-	72 840	72 840	-	-	88 000	88 000
NW375 Moses Kotane Local Municipality	58 025	-	-	58 025	58 025	-	-	55 000	55 000
DC39 Dr Ruth Segomotsi Mompoti District Municipality	32 000	-	-	32 000	32 000	-	-	105 000	105 000
NW403 City Of Matlosana Local Municipality	16 000	-	5 000	21 000	21 000	-	-	-	-
NW404 Maquassi Hills Local Municipality	30 000	-	-	30 000	30 000	-	-	-	-
NW405 JB Marks Local Municipality	15 000	-	5 000	20 000	20 000	-	-	-	-
<b>Western Cape Province</b>	<b>116 022</b>	<b>-</b>	<b>-</b>	<b>116 022</b>	<b>116 022</b>	<b>-</b>	<b>-</b>	<b>124 500</b>	<b>124 500</b>
WC011 Matzikama Local Municipality	30 000	-	-	30 000	30 000	-	-	45 000	45 000
WC012 Cederberg Local Municipality	-	-	-	-	-	-	-	30 000	30 000
WC013 Bergrivier Local Municipality	6 596	-	-	6 596	6 596	-	-	-	-

NAME OF MUNICIPALITY	2020/21						2019/20	
	GRANT ALLOCATION			TRANSFER			Re-allocations by National Treasury or National Department	Division of Revenue Act
	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	
WC023 Drakenstein Local Municipality	4 095	-	-	4 095	4 095	-		
WC026 Langeberg Local Municipality	21 093	-	-	21 093	21 093	-		
WC031 Theewaterskloof Local Municipality	2 500	-	-	2 500	2 500	-		
WC033 Cape Agulhus Local Municipality	7 700	-	-	7 700	7 700	-		
WC034 Swellendam Local Municipality	10 707	-	-	10 707	10 707	-		
WC041 Kammanland Local Municipality	10 000	-	-	10 000	10 000	-	10 000	10 000
WC045 Oudtshoorn Local Municipality	10 000	-	-	10 000	10 000	-	39 500	39 500
WC048 Knysna Local Municipality	5 835	-	-	5 835	5 835	-		
WC051 Laingsburg Local Municipality	7 496	-	-	7 496	7 496	-		
<b>Regional Bulk Infrastructure Grant (RBIG)</b>	<b>2 005 605</b>	-	-	<b>2 005 605</b>	<b>2 005 605</b>	-	<b>2 066 360</b>	<b>2 028 516</b>
<b>Eastern Cape Province</b>	<b>477 011</b>	-	<b>(57 748)</b>	<b>419 263</b>	<b>419 263</b>	-	<b>315 027</b>	<b>315 027</b>
DC13 Chris Hani District Municipality	307 318	-	-	307 318	307 318	-	105 329	105 329
DC14 Joe Gqabi District Municipality	40 000	-	<b>(28 055)</b>	11 945	11 945	-	-	-

NAME OF MUNICIPALITY	2020/21						2019/20		
	GRANT ALLOCATION			TRANSFER			Re-allocations by National Treasury or National Department	Division of Revenue Act	
	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	R'000	
DC15 O.R. Tambo District Municipality	129 693	-	(29 693)	100 000	100 000	-	-	209 698	209 698
<b>Free State Province</b>	<b>219 608</b>	-	<b>30 000</b>	<b>249 608</b>	<b>249 608</b>	-	-	<b>160 621</b>	<b>160 621</b>
FS163 Mokare Local Municipality	40 000	-	-	40 000	40 000	-	-	30 000	30 000
FS191 Seisoto Local Municipality	103 399	-	30 000	133 399	133 399	-	-	87 621	87 621
FS195 Phumelela Local Municipality	28 709	-	-	28 709	28 709	-	-	-	-
FS196 Mantsopa Local Municipality	-	-	-	-	-	-	-	5 000	5 000
FS203 Ngwathe Local Municipality	47 500	-	-	47 500	47 500	-	-	38 000	38 000
<b>Kwa-Zulu Natal Province</b>	<b>180 572</b>	-	<b>39 153</b>	<b>219 725</b>	<b>219 725</b>	-	-	<b>340 293</b>	<b>340 293</b>
DC23 uThukela District Municipality	39 399	-	-	39 399	39 399	-	-	10 000	10 000
DC24 uMzinyathi District Municipality	4 738	-	12 000	16 738	16 738	-	-	20 000	20 000
DC26 Zululand District Municipality	100 000	-	13 798	113 798	113 798	-	-	163 774	163 774
DC28 King Cetshwayo District Municipality	27 409	-	-	27 409	27 409	-	-	91 519	91 519
DC29 ILembe District Municipality	-	-	-	-	-	-	-	35 000	35 000
DC43 Harry Gwala District Municipality	9 026	-	13 355	22 381	22 381	-	-	20 000	20 000
<b>Limpopo Province</b>	<b>361 157</b>	-	<b>(32 934)</b>	<b>328 223</b>	<b>328 223</b>	-	-	<b>630 998</b>	<b>630 998</b>

NAME OF MUNICIPALITY	2020/21						2019/20		
	GRANT ALLOCATION			TRANSFER			Re-allocations by National Treasury or National Department	Division of Revenue Act	
	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	R'000	
DC33 Mopani District Municipality	36 090	-	-	36 090	36 090	-	-	-	-
LIM354 Polokwane Local Municipality	284 846	-	7 287	292 133	292 133	-	-	630 998	630 998
DC47 Greater Sekhukhune District Municipality	40 221	-	(40 221)	-	-	-	-	-	-
<b>Mpumalanga Province</b>	<b>478 407</b>	<b>-</b>	<b>16 000</b>	<b>494 407</b>	<b>494 407</b>	<b>-</b>	<b>-</b>	<b>361 300</b>	<b>361 300</b>
MP301 Chief Albert Luthuli Local Municipality	219 568	-	-	219 568	219 568	-	-	130 000	130 000
MP302 Msukaligwa Local Municipality	75 000	-	-	75 000	75 000	-	-	11 300	11 300
MP303 Mkhondo Local Municipality	20 000	-	-	20 000	20 000	-	-	-	-
MP306 Dipaleseng Local Municipality	45 000	-	16 000	61 000	61 000	-	-	180 000	180 000
MP307 Govan Mbeki Local Municipality	60 000	-	-	60 000	60 000	-	-	-	-
MP313 Steve Tshwete Local Municipality	35 839	-	-	35 839	35 839	-	-	-	-
MP325 Bushbuckridge Local Municipality	23 000	-	-	23 000	23 000	-	-	40 000	40 000
<b>Northern Cape Province</b>	<b>98 651</b>	<b>-</b>	<b>(5 000)</b>	<b>93 651</b>	<b>93 651</b>	<b>-</b>	<b>-</b>	<b>116 957</b>	<b>79 113</b>
NC453 Gamagara Local Municipality	-	-	-	-	-	-	-	23 200	-
NC065 Hantam Local Municipality	31 100	-	-	31 100	31 100	-	-	57 503	57 503

NAME OF MUNICIPALITY	2020/21					2019/20			
	GRANT ALLOCATION					TRANSFER			
	DoRA and other transfers R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department %	Division of Revenue Act R'000	Actual transfer R'000
NC066 Karoo Hoogland Local Municipality	-	-	-	-	-	-	-	2 000	-
NC073 Emthanjeni Local Municipality	-	-	-	-	-	-	-	21 610	21 610
NC074 Kareeberg Local Municipality	47 902	-	14 649	62 551	62 551	-	-	12 644	-
DC 7 Pixley Ka Seme District Municipality	19 649	-	(19 649)	-	-	-	-	-	-
<b>North West Province</b>	<b>170 728</b>	<b>-</b>	<b>20 000</b>	<b>190 728</b>	<b>190 728</b>	<b>-</b>	<b>-</b>	<b>121 693</b>	<b>121 693</b>
DC39 Dr Ruth Segomotsi Mompoti District Municipality	170 728	-	20 000	190 728	190 728	-	-	121 693	121 693
<b>Western Cape Province</b>	<b>19 471</b>	<b>-</b>	<b>(9 471)</b>	<b>10 000</b>	<b>10 000</b>	<b>-</b>	<b>-</b>	<b>19 471</b>	<b>19 471</b>
WC022 Witzenberg Local Municipality	19 471	-	(9 471)	10 000	10 000	-	-	19 471	19 471
<b>Unconditional Grants</b>	<b>664</b>	<b>-</b>	<b>-</b>	<b>664</b>	<b>533</b>	<b>-</b>	<b>-</b>	<b>819</b>	<b>794</b>
Mun Bi/Acc: Vehicle Licences Mun	664	-	-	664	525	-	-	819	791
Mun Bi/Acc: Fines & Penalties	-	-	-	-	8	-	-	-	3
<b>TOTAL</b>	<b>5 373 826</b>	<b>-</b>	<b>-</b>	<b>5 373 826</b>	<b>5 373 695</b>	<b>-</b>	<b>-</b>	<b>5 736 498</b>	<b>5 698 629</b>

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department; certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over spending of such funds and to allow the department to provide an explanation for the variance

### 36 BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

### 37 COVID 19 Response Expenditure

	Note	2020/21	2019/20
	Annexure 11	R'000	R'000
Goods and services		175 312	-
Expenditure for capital assets		53 882	-
<b>Total</b>		<b>229 194</b>	<b>-</b>



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

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
<b>Water Services Infrastructure Grant (WSIG)</b>	<b>3 367</b>	-	-	<b>3 367</b>	<b>3 367</b>	-	-	<b>3 367</b>	<b>1 606 451</b>	<b>1 689</b>	<b>48%</b>	<b>3 669</b>	<b>3 669 319</b>
	<b>557</b>			<b>557</b>	<b>557</b>			<b>557</b>		<b>136</b>		<b>319</b>	
<b>Eastern Cape Province</b>	<b>461 950</b>	-	<b>(8 000)</b>	<b>453 950</b>	<b>453 950</b>	-	-	<b>453 950</b>	<b>191 308</b>	<b>262 642</b>	<b>42%</b>	<b>520 461</b>	<b>520 461</b>
EC101 Dr Beyers Naude Local Municipality	7 000	-	-	7 000	7 000	-	-	7 000	5 395	1 605	77%	7 000	7 000
EC102 Blue Crane Route Local Municipality	15 000	-	5 499	20 499	20 499	-	-	20 499	10 351	10 148	50%	13 000	13 000
EC104 Makana Local Municipality	20 000	-	6 000	26 000	26 000	-	-	26 000	5 075	20 925	20%	20 000	20 000
EC105 Ndlambe Local Municipality	15 000	-	-	15 000	15 000	-	-	15 000	9 884	5 116	66%	-	-
EC106 Sundays River Valley Local Municipality	10 000	-	-	10 000	10 000	-	-	10 000	5 533	4 467	55%	-	-
EC108 Kouga Local Municipality	-	-	-	-	-	-	-	-	-	-	-	10 000	10 000
EC109 Kou-Kamma Local Municipality	-	-	-	-	-	-	-	-	-	-	-	10 000	10 000

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER				SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
DC12 Amatole District Municipality	80 000	-	12 101	92 101	92 101	-	-	92 101	44 549	47 552	48%	102 000	102 000	102 000	
DC13 Chris Hani District Municipality	70 000	-	-	70 000	70 000	-	-	70 000	27 994	42 006	40%	84 461	84 461	84 461	
DC14 Joe Gqabi District Municipality	70 000	-	-	70 000	70 000	-	-	70 000	31 211	38 789	45%	84 000	84 000	84 000	
DC15 O.R. Tambo District Municipality	80 000	-	(31 600)	48 400	48 400	-	-	48 400	5 589	42 811	12%	100 000	100 000	100 000	
DC44 Alfred Nzo District Municipality	94 950	-	-	94 950	94 950	-	-	94 950	45 727	49 223	48%	90 000	90 000	90 000	
<b>Free State Province</b>	<b>415 636</b>	<b>-</b>	<b>(6 250)</b>	<b>409 386</b>	<b>409 386</b>	<b>-</b>	<b>-</b>	<b>409 386</b>	<b>197 439</b>	<b>205 999</b>	<b>48%</b>	<b>279 823</b>	<b>279 823</b>	<b>279 823</b>	
FS161 Letsemeng Local Municipality	24 201	-	-	24 201	24 201	-	-	24 201	23 469	732	97%	24 000	24 000	24 000	
FS162 Kopanong Local Municipality	22 000	-	8 000	30 000	30 000	-	-	30 000	12 455	17 545	42%	20 000	20 000	20 000	
FS163 Mohokare Local Municipality	28 025	-	-	28 025	28 025	-	-	28 025	18 460	9 565	66%	30 000	30 000	30 000	

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER					SPENT				
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000		
FS181 Masilonyana Local Municipality	17 000	-	14 000	31 000	31 000	-	-	31 000	9 757	21 243	31%	10 000	10 000		
FS182 Tokologo Local Municipality	12 000	-	(5 000)	7 000	7 000	-	-	7 000	6 363	637	91%	10 000	10 000		
FS183 Tswelopele Local Municipality	10 000	-	1 000	11 000	11 000	-	-	11 000	9 553	1 447	87%	-	-		
FS184 Matjhabeng Local Municipality	35 000	-	-	35 000	35 000	-	-	35 000	11 364	23 636	32%	36 000	36 000		
FS185 Nala Local Municipality	10 000	-	-	10 000	10 000	-	-	10 000	4 052	-	41%	-	-		
FS191 Setsoto Local Municipality	26 375	-	(7 000)	19 375	19 375	-	-	19 375	7 207	12 168	37%	12 500	12 500		
FS192 Dithabeng Local Municipality	15 110	-	-	15 110	15 110	-	-	15 110	6 468	8 642	43%	14 323	14 323		
FS193 Nketoana Local Municipality	30 500	-	(20 500)	10 000	10 000	-	-	10 000	1 609	8 391	16%	6 000	6 000		
FS194 Maluti-a-phofung Local Municipality	50 000	-	20 000	70 000	70 000	-	-	70 000	33 973	36 027	49%	35 000	35 000		

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	
FS195 Phumelela Local Municipality	21 100	-	-	21 100	21 100	-	-	21 100	12 318	8 782	58%	17 000	17 000	
FS196 Mantsope Local Municipality	30 000	-	-	30 000	30 000	-	-	30 000	18 412	11 588	61%	8 000	8 000	
FS201 Moqhaka Local Municipality	19 325	-	(3 500)	15 825	15 825	-	-	15 825	3 834	11 991	24%	15 000	15 000	
FS203 Ngwathe Local Municipality	25 000	-	-	25 000	25 000	-	-	25 000	10 524	14 476	42%	13 000	13 000	
FS204 Metsimaholo Local Municipality	25 000	-	(13 250)	11 750	11 750	-	-	11 750	-	11 750	0%	15 000	15 000	
FS205 Mafube Local Municipality	15 000	-	-	15 000	15 000	-	-	15 000	7 621	7 379	51%	14 000	14 000	
<b>Gauteng Province</b>	<b>165 060</b>	<b>-</b>	<b>-</b>	<b>165 060</b>	<b>165 060</b>	<b>-</b>	<b>-</b>	<b>165 060</b>	<b>61 284</b>	<b>103 776</b>	<b>37%</b>	<b>169 891</b>	<b>169 891</b>	
GT422 Midvaal Local Municipality	15 825	-	-	15 825	15 825	-	-	15 825	12 270	3 555	78%	15 000	15 000	
GT423 Lesedi Local Municipality	15 825	-	(5 825)	10 000	10 000	-	-	10 000	2 818	7 182	28%	15 000	15 000	
DC42 Sedibeng District Municipality	15 825	-	(15 825)	-	-	-	-	-	-	-	-	-	-	

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
GT481 Mogale City Local Municipality	42 200	-	-	42 200	42 200	-	-	42 200	15 716	26 484	37%	40 000	40 000
GT484 Merafong City Local Municipality	36 925	-	21 650	58 575	58 575	-	-	58 575	12 550	46 025	21%	35 000	35 000
GT485 Westonia/Randfontein Local Municipality	38 460	-	-	38 460	38 460	-	-	38 460	17 930	20 530	47%	64 891	64 891
<b>Kwa-Zulu Natal Province</b>	<b>799 760</b>	<b>-</b>	<b>11 301</b>	<b>811 061</b>	<b>811 061</b>	<b>-</b>	<b>-</b>	<b>811 061</b>	<b>483 512</b>	<b>327 549</b>	<b>60%</b>	<b>872 374</b>	<b>872 374</b>
DC21 Ugu District Municipality	50 000	-	-	50 000	50 000	-	-	50 000	27 032	22 968	54%	50 000	50 000
KZN225 Msunduzi Local Municipality	33 255	-	11 301	44 556	44 556	-	-	44 556	23 463	21 093	53%	53 000	53 000
DC22 uMgungundlovu District Municipality	80 000	-	-	80 000	80 000	-	-	80 000	55 657	24 343	70%	80 000	80 000
DC23 uThukela District Municipality	90 000	-	-	90 000	90 000	-	-	90 000	65 286	24 714	73%	108 000	108 000

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
DC24 uMzinyathi District Municipality	78 235	-	-	78 235	78 235	-	-	78 235	33 265	44 970	43%	68 374	68 374
KZN252 Newcastle Local Municipality	35 000	-	-	35 000	35 000	-	-	35 000	6 844	28 156	20%	40 000	40 000
DC25 aMajuba District Municipality	50 000	-	-	50 000	50 000	-	-	50 000	11 667	38 333	23%	46 000	46 000
DC26 Zululand District Municipality	105 500	-	-	105 500	105 500	-	-	105 500	73 196	32 304	69%	100 000	100 000
DC27 uMkhanyakude District Municipality	67 770	-	-	67 770	67 770	-	-	67 770	24 272	43 498	36%	80 000	80 000
KZN 282 uMhlatuze Local Municipality	25 000	-	-	25 000	25 000	-	-	25 000	35 342	(10 342)	141%	25 000	25 000
DC28 King Cetshwayo District Municipality	60 000	-	-	60 000	60 000	-	-	60 000	34 743	25 257	58%	100 000	100 000
DC29 ILembe District Municipality	65 000	-	-	65 000	65 000	-	-	65 000	45 440	19 560	70%	62 000	62 000

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER					SPENT				
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000		
DC43 Harry Gwala District Municipality	60 000	-	-	60 000	60 000	-	-	60 000	47 305	12 695	79%	60 000	60 000		
<b>Limpopo Province</b>	<b>397 746</b>	-	<b>(40 000)</b>	<b>357 746</b>	<b>357 746</b>	-	-	<b>357 746</b>	<b>111 584</b>	<b>246 162</b>	31%	<b>546 650</b>	<b>546 650</b>		
DC33 Mopani District Municipality	45 000	-	-	45 000	45 000	-	-	45 000	2 630	42 370	6%	40 000	40 000		
DC34 Vhembe District Municipality	52 750	-	(40 000)	12 750	12 750	-	-	12 750	-	12 750	0%	50 000	50 000		
LIM354 Polokwane Local Municipality	50 000	-	-	50 000	50 000	-	-	50 000	15 961	34 039	32%	96 650	96 650		
DC35 Capricorn District Municipality	80 000	-	-	80 000	80 000	-	-	80 000	33 658	46 342	42%	145 000	145 000		
LIM 362 Lephalale Local Municipality	35 200	-	(10 000)	25 200	25 200	-	-	25 200	2 495	22 705	10%	40 000	40 000		
LIM 366 Bela Bela Local Municipality	37 475	-	10 000	47 475	47 475	-	-	47 475	26 626	20 849	56%	45 000	45 000		
LIM 367 Mogalakwena Local Municipality	43 850	-	-	43 850	43 850	-	-	43 850	10 925	32 925	25%	70 000	70 000		

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
DC47 Greater Sekhukhune District Municipality	53 471	-	-	53 471	53 471	-	-	53 471	19 289	34 182	36%	60 000	60 000
<b>Mpumalanga Province</b>	<b>402 375</b>	<b>-</b>	<b>-</b>	<b>402 375</b>	<b>402 375</b>	<b>-</b>	<b>-</b>	<b>402 375</b>	<b>202 275</b>	<b>200 100</b>	<b>50%</b>	<b>508 000</b>	<b>508 000</b>
MP301 Albert Luthuli Local Municipality	26 375	-	-	26 375	26 375	-	-	26 375	22 487	3 888	85%	50 000	50 000
MP302 Msukaligwa Local Municipality	20 000	-	-	20 000	20 000	-	-	20 000	8 242	11 758	41%	55 000	55 000
MP303 Mkhondo Local Municipality	56 000	-	-	56 000	56 000	-	-	56 000	39 854	16 146	71%	30 000	30 000
MP304 Pixley Ka Seme Local Municipality	30 000	-	-	30 000	30 000	-	-	30 000	4 804	25 196	16%	28 000	28 000
MP307 Govan Mbeki Local Municipality	30 000	-	-	30 000	30 000	-	-	30 000	8 248	21 752	27%	20 000	20 000
MP312 Emalahleni Local Municipality	-	-	-	-	-	-	-	-	-	-	-	27 000	27 000
MP313 Steve Tshwete Local Municipality	25 000	-	-	25 000	25 000	-	-	25 000	17 252	7 748	69%	30 000	30 000



NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER					SPENT					2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer				
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000		
MP314 Emakhazeni Local Municipality	30 000	-	-	30 000	30 000	-	-	30 000	6 195	23 805	21%	50 000	50 000	50 000			
MP315 Thebisile Local Municipality	50 000	-	-	50 000	50 000	-	-	50 000	25 587	24 413	51%	60 000	60 000	60 000			
MP321 Thaba Chweu Local Municipality	15 000	-	-	15 000	15 000	-	-	15 000	7 017	7 983	47%	15 000	15 000	15 000			
MP324 Nkomazi Local Municipality	40 000	-	-	40 000	40 000	-	-	40 000	32 284	7 716	81%	53 000	53 000	53 000			
MP325 Bushbuckridge Local Municipality	80 000	-	-	80 000	80 000	-	-	80 000	30 305	49 695	38%	90 000	90 000	90 000			
<b>Northern Cape Province</b>	<b>300 743</b>	<b>-</b>	<b>32 949</b>	<b>333 692</b>	<b>333 692</b>	<b>-</b>	<b>-</b>	<b>333 692</b>	<b>181 947</b>	<b>151 745</b>	<b>55%</b>	<b>319 620</b>	<b>319 620</b>	<b>319 620</b>			
NC451 Joe Morolong Local Municipality	49 999	-	6 001	56 000	56 000	-	-	56 000	19 319	36 681	34%	50 000	50 000	50 000			
NC452 Gasegonyana Local Municipality	40 000	-	-	40 000	40 000	-	-	40 000	27 252	12 748	68%	110 000	110 000	110 000			
NC453 Gamagara Local Municipality	15 000	-	(5 300)	9 700	9 700	-	-	9 700	1 704	7 996	18%	25 000	25 000	25 000			

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER				SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
NC061 Richtersveld Local Municipality	10 000	-	-	10 000	10 000	-	-	10 000	4 944	5 056	49%	1 500	1 500	1 500	
NC062 Nama Khoi Local Municipality	16 700	-	10 000	26 700	26 700	-	-	26 700	13 156	13 544	49%	15 000	15 000	15 000	
NC064 Karmiesberg Local Municipality	12 000	-	-	12 000	12 000	-	-	12 000	5 454	6 546	45%	5 000	5 000	5 000	
NC065 Hantam Local Municipality	24 000	-	9 000	33 000	33 000	-	-	33 000	12 504	20 496	38%	20 000	20 000	20 000	
NC071 Ubuntu Local Municipality	7 500	-	3 000	10 500	10 500	-	-	10 500	5 084	5 416	48%	5 200	5 200	5 200	
NC072 Umsobomvu Local Municipality	3 300	-	-	3 300	3 300	-	-	3 300	-	3 300	0%	16 320	16 320	16 320	
NC074 Kareeberg Local Municipality	15 000	-	(5 000)	10 000	10 000	-	-	10 000	48 564	(38 564)	486%	-	-	-	
NC077 Siyathemba Local Municipality	26 271	-	4 000	30 271	30 271	-	-	30 271	14 539	15 732	48%	6 700	6 700	6 700	
NC078 Siyancuma Local Municipality	15 000	-	6 749	21 749	21 749	-	-	21 749	6 604	15 145	30%	7 000	7 000	7 000	

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER				SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
NC082 iKai! Garib Local Municipality	2 000	-	-	2 000	2 000	-	-	2 000	-	2 000	0%	-	-	-	-
NC086 Kgatelopele Local Municipality	8 000	-	15 000	23 000	23 000	-	-	23 000	6 877	16 123	30%	-	-	-	-
NC087 //Khara Hais/Mier Local Municipality	15 000	-	-	15 000	15 000	-	-	15 000	2 768	12 232	18%	8 600	8 600	8 600	8 600
NC091 Sol Plaatjie Local Municipality	12 973	-	(1)	12 972	12 972	-	-	12 972	7 781	5 191	60%	14 300	14 300	14 300	14 300
NC092 Dikgatlong Local Municipality	7 000	-	-	7 000	7 000	-	-	7 000	5 397	1 603	77%	-	-	-	-
NC094 Phokwane Local Municipality	21 000	-	(10 500)	10 500	10 500	-	-	10 500	-	10 500	0%	35 000	35 000	35 000	35 000
<b>North West Province</b>	<b>308 265</b>	<b>-</b>	<b>10 000</b>	<b>318 265</b>	<b>318 265</b>	<b>-</b>	<b>-</b>	<b>318 265</b>	<b>164 354</b>	<b>153 911</b>	<b>52%</b>	<b>328 000</b>	<b>328 000</b>	<b>328 000</b>	<b>328 000</b>
NW371 Moretele Local Municipality	84 400	-	-	84 400	84 400	-	-	84 400	69 295	15 105	82%	80 000	80 000	80 000	80 000
NW373 Rustenburg Local Municipality	72 840	-	-	72 840	72 840	-	-	72 840	10 246	62 594	14%	88 000	88 000	88 000	88 000

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER				SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
NW375 Moses Kotane Local Municipality	58 025	-	-	58 025	58 025	-	-	58 025	28 737	29 288	50%	55 000	55 000		
DC39 Dr Ruth Segomotsi Mompoti District Municipality	32 000	-	-	32 000	32 000	-	-	32 000	12 767	19 233	40%	105 000	105 000		
NW403 City Of Matlosana Local Municipality	16 000	-	5 000	21 000	21 000	-	-	21 000	11 680	9 320	56%	-	-		
NW404 Maquassi Hills Local Municipality	30 000	-	-	30 000	30 000	-	-	30 000	18 584	11 416	62%	-	-		
NW405 Ventersdorp/Tlokwe Local Municipality	15 000	-	5 000	20 000	20 000	-	-	20 000	13 045	6 955	65%	-	-		
<b>Western Cape Province</b>	<b>116 022</b>	<b>-</b>	<b>-</b>	<b>116 022</b>	<b>116 022</b>	<b>-</b>	<b>-</b>	<b>116 022</b>	<b>12 748</b>	<b>37 252</b>	<b>11%</b>	<b>124 500</b>	<b>124 500</b>		<b>124 500</b>
WC011 Matzikama Local Municipality	30 000	-	-	30 000	30 000	-	-	30 000	10 673	19 327	36%	45 000	45 000		45 000
WC012 Cederberg Local Municipality	-	-	-	-	-	-	-	-	-	-	-	30 000	30 000		30 000

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	
WC013 Bergvliet Local Municipality	6 596	-	-	6 596	6 596	-	-	6 596	-	-	0%	-	-	
WC023 Drakenstein Local Municipality	4 095	-	-	4 095	4 095	-	-	4 095	-	-	0%	-	-	
WC026 Langeberg Local Municipality	21 093	-	-	21 093	21 093	-	-	21 093	-	-	0%	-	-	
WC031 Theewaterskloof Local Municipality	2 500	-	-	2 500	2 500	-	-	2 500	-	-	0%	-	-	
WC033 Cape Agulhus Local Municipality	7 700	-	-	7 700	7 700	-	-	7 700	-	-	0%	-	-	
WC034 Swellendam Local Municipality	10 707	-	-	10 707	10 707	-	-	10 707	-	-	0%	-	-	
WC041 Kannaland Local Municipality	10 000	-	-	10 000	10 000	-	-	10 000	-	10 000	0%	10 000	10 000	
WC045 Oudtshoorn Local Municipality	10 000	-	-	10 000	10 000	-	-	10 000	2 075	7 925	21%	39 500	39 500	
WC048 Knysna Local Municipality	5 835	-	-	5 835	5 835	-	-	5 835	-	-	0%	-	-	

NAME OF MUNICIPALITY	GRANT ALLOCATION						TRANSFER				SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer			
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
WC051 Laingsburg Local Municipality	7 496	-	-	7 496	7 496	-	-	7 496	-	-	0%	-	-	-	-	
<b>Regional Bulk Infrastructure Grant (RBIG)</b>	<b>2 005 605</b>	<b>-</b>	<b>-</b>	<b>2 005 605</b>	<b>2 005 605</b>	<b>-</b>	<b>-</b>	<b>2 005 605</b>	<b>661 625</b>	<b>1 117 499</b>	<b>33%</b>	<b>2 066 360</b>	<b>2 028 516</b>			
<b>Eastern Cape Province</b>	<b>477 011</b>	<b>-</b>	<b>(57 748)</b>	<b>419 263</b>	<b>419 263</b>	<b>-</b>	<b>-</b>	<b>419 263</b>	<b>112 898</b>	<b>306 365</b>	<b>27%</b>	<b>315 027</b>	<b>315 027</b>			
DC13 Chris Hani District Municipality	307 318	-	-	307 318	307 318	-	-	307 318	89 373	217 945	29%	105 329	105 329			
DC14 Joe Gqabi District Municipality	40 000	-	(28 055)	11 945	11 945	-	-	11 945	4 041	7 904	34%	-	-			
DC15 O.R. Tambo District Municipality	129 693	-	(29 693)	100 000	100 000	-	-	100 000	19 484	80 516	19%	209 698	209 698			
<b>Free State Province</b>	<b>219 608</b>	<b>-</b>	<b>30 000</b>	<b>249 608</b>	<b>249 608</b>	<b>-</b>	<b>-</b>	<b>249 608</b>	<b>110 603</b>	<b>139 005</b>	<b>44%</b>	<b>160 621</b>	<b>160 621</b>			
FS163 Mohokare Local Municipality	40 000	-	-	40 000	40 000	-	-	40 000	19 861	20 139	50%	30 000	30 000			
FS191 Setsoto Local Municipality	103 399	-	30 000	133 399	133 399	-	-	133 399	67 557	65 842	51%	87 621	87 621			

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
FS195 Phumelela Local Municipality	28 709	-	-	28 709	28 709	-	-	28 709	3 523	25 186	12%	-	-
FS196 Mantsopa Local Municipality	-	-	-	-	-	-	-	-	-	-	-	5 000	5 000
FS203 Ngwathe Local Municipality	47 500	-	-	47 500	47 500	-	-	47 500	19 662	27 838	41%	38 000	38 000
<b>Kwa-Zulu Natal Province</b>	<b>180 572</b>	<b>-</b>	<b>39 153</b>	<b>219 725</b>	<b>219 725</b>	<b>-</b>	<b>-</b>	<b>219 725</b>	<b>79 884</b>	<b>139 841</b>	<b>36%</b>	<b>340 293</b>	<b>340 293</b>
DC23 uThukela District Municipality	39 399	-	-	39 399	39 399	-	-	39 399	-	39 399	0%	10 000	10 000
DC24 uMzinyathi District Municipality	4 738	-	12 000	16 738	16 738	-	-	16 738	4 738	12 000	28%	20 000	20 000
DC26 Zululand District Municipality	100 000	-	13 798	113 798	113 798	-	-	113 798	46 601	67 197	41%	163 774	163 774
DC28 King Cetshwayo District Municipality	27 409	-	-	27 409	27 409	-	-	27 409	6 718	20 691	25%	91 519	91 519

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER				SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-	-	-	35 000	35 000		
DC43 Harry Gwala District Municipality	9 026	-	13 355	22 381	22 381	-	-	22 381	21 827	554	98%	20 000	20 000		20 000
<b>Limpopo Province</b>	<b>361 157</b>	<b>-</b>	<b>(32 934)</b>	<b>328 223</b>	<b>328 223</b>	<b>-</b>	<b>-</b>	<b>328 223</b>	<b>65 652</b>	<b>36 090</b>	<b>20%</b>	<b>630 998</b>	<b>630 998</b>		<b>630 998</b>
DC33 Mopani District Municipality	36 090	-	-	36 090	36 090	-	-	36 090	-	36 090	0%	-	-		-
LIM354 Polokwane Local Municipality	284 846	-	7 287	292 133	292 133	-	-	292 133	65 652	-	22%	630 998	630 998		630 998
DC47 Greater Sekhukhune District Municipality	40 221	-	(40 221)	-	-	-	-	-	-	-	-	-	-		-
<b>Mpumalanga Province</b>	<b>478 407</b>	<b>-</b>	<b>16 000</b>	<b>494 407</b>	<b>494 407</b>	<b>-</b>	<b>-</b>	<b>494 407</b>	<b>205 026</b>	<b>289 381</b>	<b>41%</b>	<b>361 300</b>	<b>361 300</b>		<b>361 300</b>
MP301 Chief Albert Luthuli Local Municipality	219 568	-	-	219 568	219 568	-	-	219 568	107 561	112 007	49%	130 000	130 000		130 000
MP302 Msukaligwa Local Municipality	75 000	-	-	75 000	75 000	-	-	75 000	8 121	66 879	11%	11 300	11 300		11 300



NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER					SPENT					2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer				
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000		
MP303 Mkhondo Local Municipality	20 000	-	-	20 000	20 000	-	-	20 000	3 000	17 000	15%	-	-	-	-		
MP306 Dipaleseng Local Municipality	45 000	-	16 000	61 000	61 000	-	-	61 000	43 058	17 942	71%	180 000	180 000	180 000	-		
MP307 Govan Mbeki Local Municipality	60 000	-	-	60 000	60 000	-	-	60 000	7 184	52 816	12%	-	-	-	-		
MP313 Steve Tshwete Local Municipality	35 839	-	-	35 839	35 839	-	-	35 839	21 968	13 871	61%	-	-	-	-		
MP325 Bushbuckridge Local Municipality	23 000	-	-	23 000	23 000	-	-	23 000	14 134	8 866	61%	40 000	40 000	40 000	-		
<b>Northern Cape Province</b>	<b>98 651</b>	<b>-</b>	<b>(5 000)</b>	<b>93 651</b>	<b>93 651</b>	<b>-</b>	<b>-</b>	<b>93 651</b>	<b>18 958</b>	<b>74 693</b>	<b>20%</b>	<b>116 957</b>	<b>116 957</b>	<b>79 113</b>	<b>-</b>		
NC453 Gamagara Local Municipality	-	-	-	-	-	-	-	-	-	-	-	23 200	23 200	-	-		
NC065 Hantam Local Municipality	31 100	-	-	31 100	31 100	-	-	31 100	18 958	12 142	61%	57 503	57 503	57 503	-		
NC066 Karoo Hoogland Local Municipality	-	-	-	-	-	-	-	-	-	-	-	2 000	2 000	-	-		

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER				SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer	R'000	R'000
NC073 Emthanjeni Local Municipality	-	-	-	-	-	-	-	-	-	-	-	-	21 610	21 610	21 610
NC074 Kareeberg Local Municipality	47 902	-	14 649	62 551	62 551	-	-	62 551	-	62 551	0%	12 644	-	12 644	-
DC7 Pixley Ka Seme District Municipality	19 649	-	(19 649)	-	-	-	-	-	-	-	-	-	-	-	-
<b>North West Region</b>	<b>170 728</b>	<b>-</b>	<b>20 000</b>	<b>190 728</b>	<b>190 728</b>	<b>-</b>	<b>-</b>	<b>190 728</b>	<b>68 604</b>	<b>122 124</b>	<b>36%</b>	<b>121 693</b>	<b>121 693</b>	<b>121 693</b>	<b>121 693</b>
DC39 Dr Ruth Segomotsi Mompoti District Municipality	170 728	-	20 000	190 728	190 728	-	-	190 728	68 604	122 124	36%	121 693	121 693	121 693	121 693
<b>Western Cape Province</b>	<b>19 471</b>	<b>-</b>	<b>(9 471)</b>	<b>10 000</b>	<b>10 000</b>	<b>-</b>	<b>-</b>	<b>10 000</b>	<b>-</b>	<b>10 000</b>	<b>0%</b>	<b>19 471</b>	<b>19 471</b>	<b>19 471</b>	<b>19 471</b>
WC022 Witzenberg Local Municipality	19 471	-	(9 471)	10 000	10 000	-	-	10 000	-	10 000	0%	19 471	19 471	19 471	19 471
<b>TOTAL</b>	<b>5 373</b>	<b>-</b>	<b>-</b>	<b>5 373</b>	<b>5 373</b>	<b>-</b>	<b>-</b>	<b>5 373</b>	<b>2 268 076</b>	<b>2 806</b>	<b>42%</b>	<b>5 735</b>	<b>5 697</b>	<b>5 735</b>	<b>835</b>

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

ANNEXURE 1B  
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2019/20 Final Appropriation R'000
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
Energy Water Sector Education and Training Authority (EWSETA)	3 087	-	-	3 087	3 086	100%	2 986
Water Trading Account: Augmentation (Capital)	2 378 960	-	-	2 378 960	2 378 960	100%	2 367 036
Com:Licences (Radio and TV)	-	-	1	1	1	100%	-
<b>TOTAL</b>	<b>2 382 047</b>	<b>-</b>	<b>1</b>	<b>2 382 048</b>	<b>2 382 047</b>	<b>100%</b>	<b>2 370 022</b>

## ANNEXURE 1D

## STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2019/20
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Capital R'000	Current R'000	
<b>Public Corporations</b>									
<i>Transfers</i>									
Amatola Water Board	-	-	-	-	-	-	-	-	185 000
Magalies Water	98 000	-	-	98 000	98 000	100%	98 000	-	-
Sedibeng Water	132 300	-	139 006	271 306	271 306	100%	271 306	-	277 891
Umgeni Water	579 012	-	(139 006)	440 006	440 006	100%	440 006	-	320 000
<b>TOTAL</b>	<b>809 312</b>	<b>-</b>	<b>-</b>	<b>809 312</b>	<b>809 312</b>	<b>100%</b>	<b>809 312</b>	<b>-</b>	<b>782 891</b>

## ANNEXURE 1E

## STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2019/20
	Adjusted Appropriation Act	Roll overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
<b>Transfers</b>							
Komati River Basin Water Authority (KOBWA)	233 093	-	-	233 093	233 093	100%	219 900
Limpopo Watercourse Commission (LIMCOM)	907	-	-	907	752	83%	800
Orange-Seque River Basin Commission (ORASECOM)	3 464	-	-	3 464	3 464	100%	6 202
African Ministers' Council on Water (AMCOW) Trust Fund	200	-	-	200	149	75%	118
<b>TOTAL</b>	<b>237 664</b>	<b>-</b>	<b>-</b>	<b>237 664</b>	<b>237 458</b>		<b>227 020</b>

ANNEXURE 1F  
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2019/20
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjust-ments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred %	
<b>Transfers</b>							
South African Youth Water Prize	17	-	-	17	-	0%	27
VAR Inst:2020 Vision-Water ED PR	1 113	-	-	1 113	334	30%	1 872
NEPAD Business Foundation	500	-	-	500	500	100%	1 000
<b>TOTAL</b>	<b>1 630</b>	<b>-</b>	<b>-</b>	<b>1 630</b>	<b>834</b>		<b>2 899</b>

ANNEXURE 1G  
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2019/20
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjust-ments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
<b>Transfers</b>							
H/H: Bursaries (Non-Employees)	20 324	-	10 304	30 628	30 417	99%	19 260
H/H: Claim Against the State (Cash)	-	-	4 996	4 996	4 996	100%	-
Farmer Support Household (Cash)	183	-	-	183	125	68%	202
H/H Empl S/Ben: Leave Gratuity	7 366	-	4 032	11 398	11 370	100%	8 131
H/H Empl S/Ben: Severance Package	-	-	-	-	-	-	51
H/H Empl S/Ben: PST Retirmt Benef	-	-	-	-	-	-	2 542
H/H: Donation & Gifts(Cash)	-	-	93	93	93	-	-
<b>TOTAL</b>	<b>27 873</b>	<b>-</b>	<b>19 425</b>	<b>47 298</b>	<b>47 001</b>		<b>30 186</b>

## ANNEXURE 1J

## STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2020/21	2019/20
	R'000	R'000
<b>Made in kind</b>		
Fruit basket/Flowers	2	2
Allowance for P. Nisaluba - Stockholm Sweeden Junior Water Prize	-	15
22 Laptops and S&T for learner attending Stokholm Junior Water Prize	-	297
Certificate	-	10
Hungry gifts - Inter-departmental claim - Human Settlements	10	-
Lesotho gifts - Inter-departmental claim - Human Settlements	5	-
Rand Water and FS Premier Flower Gifts - Inter-departmental claim - Human Settlements	1	-
<b>TOTAL</b>	<b>18</b>	<b>324</b>



## ANNEXURE 1L

## STATEMENT OF INDIRECT GRANTS BETWEEN NATIONAL DEPARTMENTS AND MUNICIPALITIES

NAME OF GRANT	GRANT ALLOCATION				SPENT Amount R'000
	Division of Revenue Act	Roll Overs R'000	Adjustments R'000	Total Available R'000	
Regional Bulk Infrastructure Grant (RBIG): Indirect Grant	3 487 951	-	-	3 487 951	1 724 173
Water Services Infrastructure Grant (WSIG): Indirect Grant	591 064	-	-	591 064	304 563
<b>TOTAL</b>	<b>4 079 015</b>	<b>-</b>	<b>-</b>	<b>4 079 015</b>	<b>2 028 736</b>

## ANNEXURE 2B

## STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (CONTINUED)

Name of Public Entity	Nature of business	Cost of investment		Net Asset value of Investment		Amounts owing to Entities		Amounts owing by Entities	
		R'000		R'000		R'000		R'000	
		2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
<b>Controlled entities</b>									
<i>Irrigation Boards</i>									
Haarlem	Dam and Pipelines	-	-	-	-	-	-	525	525
Illovo	For irrigation	-	-	-	-	-	-	-	13
Manchester Noordwyk	For irrigation	-	-	-	-	-	-	1 050	1 283
Noord Agter Paarl	For irrigation	-	-	-	-	-	-	202	228
<b>TOTAL</b>		-	-	-	-	-	-	<b>1 777</b>	<b>2 049</b>

## ANNEXURE 3A

## STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2021 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2020	Guarantees draw downs during the year	Guarantees repayments/cancelled/reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2021	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2021
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	<b>Housing</b>								
NP Dev. Corp.	Loans	310	95	-	95	-	-	-	-
		<b>310</b>	<b>95</b>	-	<b>95</b>	-	-	-	-
	<b>Other</b>								
KOBWA (21)	Hambros Maguga Dam	380 000	375 000	-	-	-	375 000	-	50 625
Land Bank (30)	Water Profts by WUA's	150 000	35 535	-	717	-	34 818	-	44
TCTA (24)	Holders of LHW Projects	21 000 000	9 529 097	-	96 520	-	9 432 577	-	287 596
TCTA	Investec Long-term Loan	1 500 000	1 000 000	-	-	-	1 000 000	-	-
TCTA	Investec Revolving or Facility	-	-	-	-	-	-	-	-
TCTA	Std Bank Long-term Loan	4 000 000	2 700 000	-	200 000	-	2 500 000	-	26 497
TCTA	Std Bank Revolving or Facility	-	-	-	-	-	-	-	-
TCTA	ABSA Revolving Credit	1 000 000	-	-	-	-	-	-	-
TCTA (13)	Call bills & Capital Bills	4 000 000	-	-	-	-	-	-	-
TCTA	DBSA	41 344	15 863	-	7 461	-	8 402	-	-
TCTA	Unutilised guarantee facility	11 458 656	-	-	-	-	-	-	-
	Subtotal	<b>43 530 000</b>	<b>13 655 495</b>	-	<b>304 698</b>	-	<b>13 350 797</b>	-	<b>364 762</b>
	<b>TOTAL</b>	<b>43 530 310</b>	<b>13 655 590</b>	-	<b>304 793</b>	-	<b>13 350 797</b>	-	<b>364 762</b>

## ANNEXURE 3B

## STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2021

Nature of Liability	Opening Balance		Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance	
	1 April 2020	R'000				R'000	31 March 2021
<b>Claims against the department</b>							
Stephan Mogohlwane & Others	215		33	-	-	-	248
Freddy Aphane	37		6	-	-	-	43
Black Child Productions	10 000		-	-	-	-	10 000
Nkondo GM	555		-	-	-	-	555
Nitumi Communications	730		66	-	-	-	796
JJ Jordaan	32 633		5 058	-	-	-	37 691
Mariam Mangera	23		4	-	-	-	27
PSA OBO Surita Kiesling	206		32	-	-	-	238
Ibrahim Mahomed and Others	8 333		1 292	-	-	-	9 625
Geldenhuis	1 731		156	-	-	-	1 887
Tuscan Mood 2001(Pty)ltd	4 497		-	-	-	-	4 497
Minister of DWS/ Thembi J Shongwe	290		-	-	-	-	290
Metsa Kekana	623		-	-	-	-	623
L Sishuba // DWS	1 592		-	-	-	-	1 592
SA Satar / DWS and Mokgadi Heilen Maloba	43		4	-	-	-	47
Jan Hendrik George Blignault/ DWS	12		1	-	-	-	13
University of Limpopo v DG DWS	4 131		372	-	-	-	4 503
Kahlon Sylvia and 5 Others v DWS	41 967		4 302	-	-	-	46 269
Mulangaphuma HL VS DWS	3 542		336	-	-	-	3 878
Teffo Mashala/DWS	1 592		-	-	-	-	1 592
Nevondo Azwihangwisi Andries	2 459		381	-	-	-	2 840
ADI Investment (PTY)LTD	750 107		116 267	-	-	-	866 374

Nature of Liability	Opening Balance		Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance	
	1 April 2020	R'000				R'000	31 March 2021
Nehawu Obo Tjeko Lischen Maja vs Minister of Water and Sanitation	246		-	-	-		246
EM Lamola / DWS	713		-	-	-		713
Minister of Water & Sanitation v Lydia Peter	496		-	-	-		496
M Shexane & M Myantasi vs Amatola Water Board & DWS	6 000		-	-	-		6 000
Manyana Nondilana vs Amatola Water Board & DWS	3 350		-	-	-		3 350
Nehawu Obo Ivy Maboko vs Department of Water & Sanitation	2		-	-	-		2
Singata Ndikhonam LUC vs Amatola Water Boards & DWS	3 350		519	-	-		3 869
Fumile advisory	40 752		4 075	-	-		44 827
Urban Dynamics	43 333		4 550	-	-		47 883
Blue Raindrops Advertising	3 354		-	-	-		3 354
DWS/ SJ Modiba and others	467		217	-	-		684
<b>TOTAL</b>	<b>967 381</b>		<b>137 670</b>				<b>1 105 051</b>

**ANNEXURE 4**  
**CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2020/21 *	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020	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>								
Dept Govern Comm & Info System (21)	-	83	83	-	83	83	-	-
Government Printing (37)	-	10	10	-	10	10	-	-
National Department of Science and Technology (E6)	-	19	-	-	-	19	-	-
National Treasury	-	16	32	-	32	16	-	-
Office of the Chief Justice	-	-	30	-	30	-	-	-
East Cape Health (D2)	-	-	-	29	-	29	-	-
East Cape Rural Development & Agr Reform (D7)	-	-	39	26	39	26	-	-
Western cape	-	-	47	-	47	-	-	-
Gauteng Health (G9)	-	-	155	-	155	-	-	-
Gauteng Social Development(5G)	-	-	27	-	27	-	-	-
	-	128	423	55	423	183	-	-
<b>Other Government Entities</b>								
Water Trading Entity	-	19	23	-	23	19	-	-
	-	19	23	-	23	19	-	-
<b>TOTAL</b>	-	147	446	55	446	202	-	-

ANNEXURE 5  
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2020/21 *	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
<b>Current</b>								
Department of Justice	12 710	1 409	-	-	12 710	1 409	-	-
Gauteng Provincial Treasury	-	26	-	-	-	26	-	-
<b>Sub-total</b>	<b>12 710</b>	<b>1 435</b>	<b>-</b>	<b>-</b>	<b>12 710</b>	<b>1 435</b>	<b>-</b>	<b>-</b>
<b>OTHER GOVERNMENT ENTITY</b>								
<b>Current</b>								
Water & Sanitation Trading Entity	27 001	21 481	22 622	16 482	49 623	37 963	-	-
Special Investigation Unit (SIU)	132	521	-	-	132	521	-	-
Auditor General South Africa (AGSA)	6 376	2 784	-	-	6 376	2 784	-	-
<b>Sub-total</b>	<b>33 509</b>	<b>24 786</b>	<b>22 622</b>	<b>16 482</b>	<b>56 131</b>	<b>41 268</b>	<b>-</b>	<b>-</b>
<b>TOTAL INTERGOVERNMENT PAYABLES</b>	<b>46 219</b>	<b>26 221</b>	<b>22 622</b>	<b>16 482</b>	<b>68 841</b>	<b>42 703</b>	<b>-</b>	<b>-</b>

## ANNEXURE 7

## MOVEMENT IN CAPITAL WORK IN PROGRESS

## MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>				
Other machinery and equipment	22 008 225	2 063 572	(293 715)	23 778 082
<b>TOTAL</b>	<b>22 008 225</b>	<b>2 063 572</b>	<b>(293 715)</b>	<b>23 778 082</b>

*Include discussion where deemed relevant*

## MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>					
Other machinery and equipment	24 456 867	-	2 247 254	(4 695 896)	22 008 225
<b>TOTAL</b>	<b>24 456 867</b>	<b>-</b>	<b>2 247 254</b>	<b>(4 695 896)</b>	<b>22 008 225</b>



## ANNEXURE 8A

## INTER-ENTITY ADVANCES PAID (note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
<b>NATIONAL DEPARTMENTS</b>						
Department of International Relations & Cooperations	-	-	-	950	-	950
National School of Government	-	-	-	50	-	50
<b>Subtotal</b>	-	-	-	<b>1 000</b>	-	<b>1 000</b>
<b>PUBLIC ENTITIES</b>						
Bloem Water	-	-	4 000	4 000	4 000	4 000
Lepelle Northern Water	4 593	80 000	-	-	4 593	80 000
Amatola Water	56 474	70 000	-	-	56 474	70 000
Sedibeng Water	41 859	192 400	-	-	41 859	192 400
Rand Water	50 000	-	-	-	50 000	-
<b>Subtotal</b>	<b>152 926</b>	<b>342 400</b>	<b>4 000</b>	<b>4 000</b>	<b>156 926</b>	<b>346 400</b>
<b>TOTAL</b>	<b>152 926</b>	<b>342 400</b>	<b>4 000</b>	<b>5 000</b>	<b>156 926</b>	<b>347 400</b>

## ANNEXURE 11

## COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification	2020/21				Total R'000	2019/20 Total R'000
	Q1	Q2	Q3	Q4		
	R'000	R'000	R'000	R'000		
<b>Goods and services</b>	<b>3 418</b>	<b>3 975</b>	<b>2 756</b>	<b>165 163</b>	<b>175 312</b>	-
<i>List all applicable SCOA level 4 items</i>						
Advertising	-	142	-	-	142	-
Contractors	-	779	1 127	1 884	3 790	-
Fleet Services	4	-	(4)	-	-	-
Cons Supplies	2 166	2 204	973	848	6 191	-
Property Payment	1 246	852	581	48	2 727	-
Operating Payment	-	-	-	-	-	-
Minor Assets	-	-	21	-	21	-
Entertainment	-	-	-	-	-	-
Stationery	-	-	59	-	59	-
Communication	2	(2)	-	-	-	-
Inventory: Other supplies	-	-	-	162 383	162 383	-
<b>Expenditure for capital assets</b>	<b>-</b>	<b>200 012</b>	<b>31 724</b>	<b>(177 854)</b>	<b>53 882</b>	<b>-</b>
<i>List all applicable SCOA level 4 items</i>						
Machinery and Equipment	-	200 000	31 724	(177 854)	53 870	-
Buildings and Other Fixed Structures	-	-	-	-	-	-
<b>TOTAL COVID 19 RESPONSE EXPENDITURE</b>	<b>3 418</b>	<b>203 987</b>	<b>34 480</b>	<b>(12 691)</b>	<b>229 194</b>	<b>-</b>



# PART F: ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

## Table of Contents

<b>Audit Committee Report</b>	<b>357</b>
<b>Report of the Auditor General</b>	<b>362</b>
<b>Annual Financial Statements</b>	<b>369</b>

## 1 REPORT OF THE AUDIT COMMITTEE ON THE FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

In line with its strategic commitment to be a well-governed National Department, the Entity strives for effective oversight and monitoring of its governance regime. Vital to the achievement of this aim, is a competent and independent Audit Committee. The Audit Committee is pleased to present its report for the financial year ended 31 March 2021.

Name	Qualifications	Internal or external	Date appointed	No. of Meetings attended
Dr Charles Motau	Doctor of Technology: Computer Science and Data Processing, Master's Degree in Business Leadership, Master's Degree in Information Technology, Bachelor of Commerce, Higher Diploma in Computer Auditing, Certificate in Information Technology Project Management, Certificate in Executive Leadership, Certificate in Human Resource Management	External	01 July 2020	5 of 5
Mr Sindile Faku	Master of Science Degree, Bachelor of Education, Bachelor of Arts, Senior Teachers Diploma, Human Resource Management Programme, Graduate Diploma in Company Direction, Housing Finance Course, Real Estate Qualification, Leadership in Local Government Certification	External	01 July 2020	5 of 5
Ms Nontlaza Sizani	Bachelor of Commerce Honors, Certificate in Accounting Theory (CTA), Post Graduate Diploma in Management, Bachelor of Commerce, Senior Secondary Teachers Diploma,	External	01 July 2020	5 of 5
Mr Japie Du Plessis	National Diploma in State Accounts and Finance, Registered Government Auditor,	External	1 April 2016 March 2020, Reappointed 01 July 2020 31 March 2022	5 of 5

### Audit Committee Members and Attendance

The Audit Committee comprises of four (4) independent members who have sufficient qualifications and experience to render the required Audit Committee function as stipulated in the committee terms of reference.

### Audit Committee Responsibility

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

The Audit Committee and relevant stakeholders also complete an annual Audit Committee assessment to evaluate the efficiency and effectiveness of the Audit Committee. For the financial year ended 31 March 2021, the Audit Committee reviewed:

- Quarterly Financial Statements and Performance Reports;
- Unaudited Annual Financial Statements before submission to the AGSA;
- Audited Annual Financial Statements to be included in the Annual Report;
- The AGSA's Audit Report, Management Report and Management's response thereto;
- The appropriateness of accounting policies and procedure;
- The effectiveness of the system of Risk Management,
- Compliance with relevant laws and regulations;

- The system of IT Governance;
- The audit plans and reports of IA and the AGSA. The Audit Committee also conducted separate meetings with the assurance providers; and
- The IA and Audit Committee Charters.

### Review and Evaluation of the Annual Financial Statements

The Audit Committee is satisfied with the content and quality of some of the financial and nonfinancial quarterly reports prepared and submitted by the Acting DG of the Entity during the financial year under review and confirms that the reports were mostly in compliance with the statutory reporting framework. It is important to note that the 2020/21 financial audit was finalised in April 2022 due to dispute between the Department and the AGSA on the accounting treatment for costs relating to the Lesotho Highlands Water Project (LHWP). This matter was resolved after a ruling was received from the Office of the Accountant General.

The Audit Committee had the opportunity to review the Annual Financial Statements and discussed same with Management. The Audit Committee has the following comments:

- The Entity's maintained an unqualified audit opinion with findings on non-compliance with legislation in the 2020/21 financial years. However, the Committee is concerned that:
  - The financial statements that were submitted to AGSA for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1) (a) and (b) of the PFMA.
  - Material misstatements of non-current assets and disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified opinion.
  - The completeness of fruitless, wasteful and irregular expenditure. Improvement has been noted during the 2020/2021 financial year; however this process would require renewed effort from Management with a specific focus on condonement processes to be followed in this regard. The system to identify irregular expenditure and the completeness of irregular expenditure should be strengthened.
  - The Entity to continue as a going concern. The financial opinion of the Entity has improved during the 2020/2021 financial year. However, long outstanding debt owed to the Entity continues to put the Entity under financial pressure.
  - Payables exceeded the payment term of 30 days.
  - Consequence management. Efforts to be strengthened to ensure the speedy resolution process and implementation of both Internal and AGSA recommendations.

A material irregularity relating to site-establishment costs and standing time was issued during the 2020/21 financial year-end audit, this will be followed up in 2021/22 financial year. The entity demonstrated progress on the implementation of recommendations on the two (2) previously reported Material Irregularities, where the material irregularity on accrued revenue was fully resolved. The material irregularity relating to interest on payments not made within 30 days is still not yet resolved and will be followed in the next year's audit.

The Audit Committee concurs and accepts the AGSA's conclusions on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements should be accepted and read together with the audit report of the AGSA.

### Efficiency and Effectiveness of Internal Control

Deficiencies in the system of internal control and deviations were reported in the Internal and AGSA Audit Reports. Although some of the drivers of internal controls are maintained, the entity did not implement adequate preventative internal controls to avoid non-compliance with legislation resulting from the annual financial statements, expenditure management, consequence management, procurement, and contract management.

The entity did not implement adequate preventive internal controls to prevent non-compliance with legislation, mostly relating to following proper procurement processes for obtaining quotations, competitive bidding process and applying local content procedures, which resulted in irregular amounting to R179 million and fruitless and wasteful expenditure, amounting to R158 million in the current year as well as payments not made within 30 days.

The entity did not implement adequate internal controls to identify significantly delayed projects and completed assets from assets under construction, and there was no adequate assessment of fruitless and wasteful expenditure for internal and external projects resulting in material adjustments to the financial statements.

There has been an improvement in the area of revenue as the accounting officer has billed majority of the customers previously recognised as accrued revenue, and the remaining balance of accrued revenue as at 30 September 2021 amounts to R525 026. The accounting officer has appointed a Chief Director in the billing section of revenue and staff members responsible for billing customers have received on-the-job training on billing.

The Audit Committee also reviewed the progress with respect to the ICT Governance in line with the ICT framework issued. Material uncertainty related to going concern/ financial sustainability still exists. The ability to undertake its objectives where the budget is depleted is a concern. The Entity did implement certain of the recommendations made by the Audit Committee. Inadequate or no actions are taken against employees responsible for contravening the internal control processes, policies, laws and regulations.

The main concerning areas to the Audit Committee that require urgent consequence management interventions are:

- Low performance achievements of strategic goals and indicators.
- Budget and financial management.
- Project management remains a concern at the Entity.
- Increased in non-compliance resulting in significant audit findings on irregular and fruitless and wasteful expenditure.
- Certain payments were not made within 30 days.
- Management did not implement adequate preventive internal controls to prevent noncompliance with legislation, especially those related to supply chain management.
- Inadequate implementation of internal and external audit recommendations to ensure the resolution of findings. Assertions were made by management, based on the action plan, to the Audit Committee that significant audit findings were addressed but the audit process has subsequently concluded that management actions were not adequate to resolve the issues that were reported in prior year.
  - The instability at Director-General and Chief Financial Officer levels must be attended to as a matter of urgency.

### **Resolution of Internal Control Findings**

The follow-up processes such as quarterly reporting on action plans performed by the Directorate: Internal Control indicated that Management needs to institute adequate corrective action to address control weaknesses identified.

Overall the Audit Committee is concerned with the quality and timing of Management responses. The Audit Committee is continuously emphasising the importance that Management needs appropriately balancing delivery and continues improvement.

### **Combined Assurance**

The Audit Committee reviewed the plans and reports of the AGSA and IA and other assurance providers including management and concluded that these were adequate to address all significant financial risks facing the business.

The Office of the Chief Risk Officer in consultation with IA also developed the departmental Combined Assurance and Implementation Plan during 2017/18 and implementation is continued in the 2020/21 financial year.

### **Internal Audit (IA) Effectiveness**

IA forms part of the third line of defence as set out in the Combined Assurance Plan and engages with the first and second lines of defence to facilitate the escalation of key control breakdowns.

The IA department has a functional reporting line to the Audit Committee (via the Chairperson) and an administrative reporting line to the Acting Director-General. The Audit Committee, with respect to its evaluation of the adequacy and effectiveness of internal controls, receives reports from IA on a quarterly basis, assesses the effectiveness of IA function, and reviews and approves the IA Operation, Coverage and Three-Year Plans.

The Audit Committee monitored and challenged, where appropriate, action taken by Management regarding adverse IA findings.

The Audit Committee has overseen a process by which IA has performed audits according to a risk-based audit plan where the effectiveness of the risk management and internal controls were evaluated. These evaluations were the main input considered by the Audit Committee in reporting on the effectiveness of internal controls.

The Audit Committee is satisfied with the independence and effectiveness of the IA function. During the 2020/21 financial year additional actions were implemented to ensure the IA function is adequately resourced.

Several investigations were conducted/are in progress by the IA Unit at the request of the Acting DG and/or the Minister arising from allegations against officials of the Entity. The completed investigations resulted in recommendations for disciplinary and/or criminal proceeding to be instituted against the Entity's officials concerned.

The Audit Committee wishes to emphasise that for the Internal Audit Function to operate at an optimal level as expected by the Audit Committee, the shortage in human resources and skills must be addressed as a matter of urgency. From a resource point of view, the approved Internal Audit Structure for the Entity must be filled as a matter of urgency.

### **Performance Information**

The performance information was presented to the Audit Committee during the meeting of 27 May 2021. The Audit Committee supported the submission of the information. Quarterly auditing of performance information by the IA unit of all APP targets took place. The Audit Committee is however concerned about the regression in the quality of the performance information that was submitted to the AGSA during the 2021/22 financial year.

### **Risk Management**

The Entity assessed strategic and operational risks that could have an impact on the achievement of its objectives, both strategically at a programme level, on a quarterly basis. Risks were prioritised based on its likelihood and impact (inherent and residual) and additional mitigations were agreed upon to reduce risks to acceptable levels.

New and emerging risks were identified during the quarterly review processes. A separate Risk Management Committee monitors and oversees the control of risk identification throughout the Entity. Feedback is also provided to the Audit Committee on a quarterly basis by an Independent Chairperson of the Risk Management Committee.

Internal audit also performs their own assessment of the risk environment of the organisation and this includes both the strategic and operational risks as part of this assessment.

### **Governance and Ethics**

The Entity has adopted the corporate governance principles of the King Code of Governance in South Africa applicable to the Public Sector. The Audit Committee continues to monitor the key governance interventions of the Entity as required, however there is a need for continued improvement in this area.

The focus on Ethics within the Entity to imbed further enhancements of awareness and understanding of Ethics at all levels within the Department. Furthermore, the Entity requires that all members of the Senior Management Services (SMS) complete a financial disclosure declaration.

### **Information and Communication Technology (ICT) Governance**

The Audit Committee reviewed the progress with respect to the ICT Governance in line with the ICT Framework issued by the Department of Public Service and Administration. Although there was progress on the ICT Internal Control the Audit Committee report its dissatisfaction with minimal progress made with the implementation of the Information Technology Steering Committee, Disaster Recovery Plan, the Business Continuity Plan and ICT Steering Committee meetings attendance.

The Department also experienced a data breach during February 2020, and this continued in 2020/21 financial when two servers were infected by a virus which may have gone undetected from the previous incident in 2020 and subsequently encrypted the



files on the two servers. The virus was cleaned, and servers restored without negative impact on the data. This continued to be a high risk for the Department.

### Conclusion

The Audit Committee is pleased with the outcome of the audit and somewhat concerned with progress made by the Department in improving and progressing with the areas outlined in this report. Management is positive in their commitment to good governance and a clean administration.

The Audit Committee noted non-compliance with prescribed policies and procedures in the financial year under review. From observations, analysis and reports presented to the Audit Committee by Management and assurance providers, including Internal Audit and the AGSA, as well as the Audit Committee's evaluation of the Risk Management processes, the Audit Committee concludes that the systems of internal control tested were found to be inadequate and ineffective for some of the areas tested. These controls require further improvement and we have received assurance that the matter is being addressed. Attention has also been given in addressing prior years' concerns reported by the AGSA.

The Audit Committee noted the final Management Report and Audit Report from the AGSA and their conclusions. The Audit Committee wishes to express its appreciation to the Acting DG, Management of the Department, the AGSA and IA who assisted the Audit Committee in performing its functions effectively.



**Dr Charles Motau (AMBCI) : Chairperson of the Audit Committee  
Department of the Water & Sanitation**

**Date: 06 June 2022**

## 2 REPORT OF THE AUDITOR GENERAL TO PARLIAMENT ON THE WATER TRADING ENTITY

### Report on the audit of the financial statements

#### Opinion

- 1 I have audited the financial statements of the Water Trading Entity set out on pages 369 to 436, which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information 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 Water Trading Entity as at 31 March 2021, and financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act (PFMA) of South Africa 1999 (Act No.1 of 1999) (PFMA).

#### 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 auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
- 4 I am independent of the trading entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
- 5 I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of matter

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

#### Contingent assets

- 7 As disclosed in note 32 to the annual financial statements, contingent assets have been disclosed to describe the overpayment of royalties emanating from the treaty between the governments of Lesotho and the Republic of South Africa.

#### Restatement of corresponding figures

- 8 As disclosed in note 35 to the annual financial statements, corresponding figures for 31 March 2020 have been restated as a result of an error in the financial statements of the entity at and for the year ended 31 March 2021.

#### Other matter

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

#### 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 GRAP and the requirements of the PFMA, 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 trading entity'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 entity or to cease operations, or has no realistic alternative but to do so.

#### **Auditor-general's responsibilities 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.

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

- 14 In terms of section 40(3)(a) of the PFMA, the entity is required to prepare an annual performance report. The performance information of the entity was reported in the annual performance report of the Department of Water and Sanitation. The usefulness and reliability of the reported performance information were tested as part of the audit of the Department of Water and Sanitation and any audit findings are included in the management and auditor's reports of Department of Water and Sanitation.

### **Report on the audit of compliance with legislation**

#### **Introduction and scope**

- 15 In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the trading entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
- 16 The material findings on compliance with specific matters in key legislation are as follows:

#### **Annual financial statements**

- 17 The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1)(a) and (b) of the PFMA.
- 18 Material misstatements of non-current assets and disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified opinion.

#### **Expenditure management**

- 19 Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R179 933 000, as disclosed in note 33 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure related to prior year irregular contracts which were extended in the current year.
- 20 Effective and appropriate steps were not taken to prevent fruitless and wasteful expenditure amounting to R157 592 000, as disclosed in note 34 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 disclosed in the financial statements was caused by losses or abnormal costs incurred on internal and external projects.
- 21 Some payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

### Procurement and contract management

- 22 In some instances, goods and services of a transaction value above R500 000 were procured without inviting competitive bids and deviations were approved by the accounting officer but it was practical to invite competitive bids, as required by Treasury Regulation 16A6.1 and paragraph 3.4.1 of Practice Note 8 of 2007/2008.
- 23 In some instances, some of the bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 Procurement Regulation 8(2).

### Consequence management

- 24 I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure in the prior year as required by section 38(1)(h)(iii) of the PFMA. This was because determinations into irregular expenditure were still in progress at the end of the financial year.
- 25 I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against the officials who had incurred and permitted fruitless and wasteful expenditure in prior years, as required by section 38(1)(h)(iii) of the PFMA. This was due to non-implementation of the recommendations as per investigation reports.
- 26 I was unable to obtain sufficient appropriate audit evidence that investigations were conducted into all allegations of financial misconduct committed by some of the officials, as required by treasury regulation 4.1.1.

### Other information

- 27 The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
- 28 My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
- 29 In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
- 30 I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, 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

- 31 I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
- 32 Management did not adequately review the annual financial statements to ensure that they are prepared in accordance with the requirements of GRAP accounting standard and the PFMA.
- 33 Management did not adequately implement review and monitoring controls to prevent non-compliance with laws and regulations relating to supply chain management and payment processing.
- 34 Management did not apply appropriate project management processes to prevent incurrence of fruitless and wasteful expenditure relating to internal and external projects.
- 35 The accounting officer did not implement adequate consequence management processes for transgressions against applicable policies, laws and regulations.

### 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 the material irregularities reported in the previous year's auditor's report.

### Material irregularities identified during the audit

37 The material irregularity identified is as follows:

#### Amounts paid to a contractor for site re-establishment cost and standing time

38 Section 38(1)(b) of the PFMA states that: "The accounting officer for a department, trading entity or constitutional institution is responsible for effective, efficient, economical and transparent use of resources of the department, trading entity and constitutional institution."

39 The entity entered into a contract for the construction of Hazelmere Dam for a contract amount of R522 109 661. The contract commenced in February 2015 and the initial end date was July 2019.

40 There were delays in the procurement process of permanent load cells required to finalise the project, this resulted in the project being put on hold from 15 January 2018, at this stage the project was 96% complete. The contractor incurred time and cost related charges (standing time and fixed related charges) which the entity was liable to pay. The non-payment of these costs resulted in the contractor terminating the contract on 09 October 2018 and leaving the site with their equipment.

41 A settlement agreement was entered into between the entity and contractor in January 2020 to allow the contractor to return to site and finalise the project. The settlement agreement included a payment for the site re-establishment costs and standing time incurred by the contractor, while the project was on hold.

42 The non-compliance resulted in a material financial loss comprising of two elements amounting to R28 824 618 for the entity. A financial loss amounting to R5 963 155 relating to payments made for site re-establishment, was disclosed as fruitless and wasteful expenditure in note 34 to the financial statements. Another financial loss amounting to R22 861 463, which related to standing time prior to year-end, was paid after 31 March 2021.

43 The accounting officer was notified of the material irregularity on 08 December 2021 and invited to make a written submission of the actions taken and that will be taken to address the matter.

44 The accounting officer committed to appoint a professional service provider who will conduct an investigation into the material irregularity. The investigation is expected to be finalised on 30 April 2022. The outcome of the investigation aims to provide the accounting officer with the following:

- a) The root causes of the circumstances that led to the material irregularity;
- b) Determine whether any officials should be held accountable for costs incurred;
- c) Whether there was any fraudulent, corrupt or other criminal conduct;
- d) Identify any breakdown/weaknesses in internal controls; and
- e) Identify remedial actions to be taken, for example: disciplinary actions and civil recoveries.

45 I will follow up on the implementation of the planned actions during my next audit.

### Status of previously reported material irregularities

#### Effective and appropriate steps not taken to collect all money due to entity

46 Treasury regulation 7.2.1 requires the accounting officer to develop and implement appropriate processes that provide for identification, collection, recording, recognition and safeguarding of information about revenue.

47 Accrued revenue raised in prior years that should have been billed had not been invoiced to the customers for water they had actually consumed and/or used. This practice of accruing revenue but not invoicing for it occurred over a number of years. This non-compliance with legislation was likely to result in a material financial loss of R346 223 000.

- 48 The accounting officer was notified of the material irregularity on 18 July 2019. The accounting officer referred the matter to the Department of Water and Sanitation's internal risk management unit to finalise an investigation by 31 October 2019. The investigation was completed and finalised on the 8th of February 2021. The investigation identified that:
- a) there was no effective revenue management, governance, and no effective oversight role by top management; and
  - b) the lack of a records management system and ineffective implementation of water user licences authorisation contributed to the entity not billing the revenue due to the entity.
- 49 The accounting officer further requested written responses from the officials who were within the billing division of the entity when the non-compliance occurred and are still under the employ of the entity. The officials made written representations by 31 March 2021. The accounting officer evaluated the representations in line with the outcome of the investigation performed by the Department of Water and Sanitation's internal risk management unit. After evaluation of the written representation, no officials were found to be responsible for the non-billing.
- 50 The accounting officer implemented the following actions:
- 51 Appointed the Chief Director: Revenue Management, with a commencement date of 01 June 2021 and Chief Director: Water Use Licence Operation, with a commencement date of 01 October 2021. In addition staff members responsible for billing customers received on-the-job training;
- a) Implemented an effective record management system; and
  - b) Made follow ups with customers to confirm the accuracy and completeness of information submitted for registration on the entity's systems. This enabled the issuing of water user licenses and ability to bill the customers
- 52 The accounting officer has also since billed all the customers previously recognised as accrued revenue.
- 53 The material irregularity has therefore been resolved.

#### **Payment not made within 30 days resulting in additional interest**

- 54 Treasury regulation 8.2.3 requires the accounting officer of an entity to settle payments within 30 days from receipt of an invoice or, in the case of civil claims, from date of settlement or court judgement.
- 55 The entity entered into a contract valued at R154 million (including VAT) with a service provider which required a 10% advance payment of the contract value. The entity did not make the advance payment as per the contract provisions. This resulted in the service provider issuing a letter of demand and, consequently, court proceedings. The court ordered the entity to pay the service provider interest of R2,2 million, as well as the applicant's taxed party-party costs. The interest expenses result in a financial loss. The party-to-party costs had not yet been paid by the entity as ordered by the court and therefore should be considered as a likely financial loss.
- 56 The accounting officer was notified of the material irregularity on the 18th of July 2019. The accounting officer referred the matter to the internal risk management unit of the department to finalise an investigation by 31 August 2019. The investigation was finalised and a report was submitted to the accounting officer on 26 September 2019. The accounting officer required some clarifications on the report which required risk management to submit a revised report. The final approved investigation report was finalised in June 2020.
- 57 The report identified three (3) former officials responsible for incurring fruitless and wasteful expenditure which would have been avoided had reasonable care been exercised to prevent the financial loss.
- 58 The accounting officer further referred recommendations from the Department of Water and Sanitation's internal risk management unit to its legal services unit on the 29 September 2020 to determine the appropriate steps to be taken to recover the losses suffered. The legal opinion was obtained on the 17th of December 2020 stating that letters must be written to the former officials concerned to make payment within the period of thirty (30) days and that should these officials fail to do so, Legal Services should be instructed by the accounting officer to take this matter to the office of the State Attorney.
- 59 The accounting officer issued claim letters to the former officials on 25 May 2021 requesting settlements and responses within 30 days from date of receipt of the letters. Responses to the claim letters were received, on 26 June 2021 and 07 July 2021, from legal representatives of two of the three former officials, who requested access to information and to be afforded opportunity to make their representations. The accounting officer referred the written responses from the officials to risk and compliance management and legal service unit for further assessment. The accounting officer indicated that the expected date of completion of the assessment is 31 May 2022.

60 I will follow up on the implementation of the planned actions during my next audit.

### Other reports

61 In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the trading entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

62 Currently the Special Investigating Unit (SIU) is performing the below investigations:

- Proclamation No R27 of 2018 and R44 of 2019: The awarding of a contract by the DWS to service provider entered into between 2015 and 2016. The Special Tribunal handed a judgement on 15 March 2022 ordering that the service provider repay the Department of Water and Sanitation an amount of R413 million as the contracts entered into were declared unlawful and invalid. As at the date of this report, the investigation was still ongoing.
- Proclamation No R33 of 2021 (Government gazette 44899 of 30 July 2021): The procurement, contracting and implementation of information technology contracts awarded to a service provider by the Department of Water and Sanitation in a manner that was not fair, competitive, transparent, equitable or cost-effective and contrary to the applicable legislation and guidelines. As at the date of this report, the investigation was still ongoing.

*Auditor-General*

**Pretoria**  
**15 April 2022**



## Annexure – Auditor-general’s responsibility for the audit

- 1 As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the entity’s compliance with respect to the selected subject matters.

### Financial statements

- 2 In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trading entity’s internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer’s 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 Water Trading 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 trading entity to cease operating as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

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



### 3 ANNUAL FINANCIAL STATEMENTS

#### STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021	2020
		R'000	Restated R'000
<b>Revenue</b>		<b>15 590 441</b>	16 371 134
Revenue from exchange transactions	<b>3</b>	<b>13 521 022</b>	14 060 655
Revenue from non-exchange transactions	<b>4</b>	<b>2 069 419</b>	2 310 479
<b>Expenditure</b>		<b>9 901 161</b>	10 795 823
Employee benefit costs	<b>5</b>	<b>1 638 943</b>	1 461 255
Operating expenditure	<b>6</b>	<b>3 792 004</b>	3 213 088
Repairs and Maintenance - <i>Property, plant, and equipment</i>	<b>7</b>	<b>134 673</b>	280 067
Impairment on financial assets	<b>8</b>	<b>675 526</b>	2 008 117
Finance cost	<b>9</b>	<b>2 126 706</b>	2 099 976
Depreciation, amortisation, and impairment	<b>10</b>	<b>1 531 909</b>	1 730 636
Loss on disposal of fixed assets	<b>11</b>	<b>1 400</b>	2 684
<b>Surplus/ (deficit) for the year</b>		<b>5 689 280</b>	5 575 311

## STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 R'000	2020 Restated R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>12 280 565</b>	8 315 290
Cash and cash equivalents	12	1 403 143	1 063 048
Receivables from exchange transactions	13	9 812 377	6 712 134
Advances to public entities	14	693 092	216 806
Inventory	15	137 328	139 503
Construction Work in Progress	16	234 625	183 799
<b>Non-current assets</b>		<b>93 096 097</b>	93 494 505
Property, plant, and equipment	17	72 075 954	73 389 605
Intangible assets	18	21 020 143	20 104 900
<b>Total assets</b>		<b>105 376 662</b>	101 809 795
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>3 327 240</b>	2 183 157
Payables from exchange transactions	19	2 014 891	1 015 274
Employee benefits	20	290 682	206 985
Finance lease liability	21	918	3 087
Financial liabilities: TCTA	23	1 020 749	957 811

Non-current liabilities		<b>17 135 800</b>	20 402 296
Finance lease liability	<b>21</b>	<b>554</b>	496
Financial liabilities: Income received in advance	<b>22</b>	<b>3 318 518</b>	2 559 765
Financial liabilities: TCTA	<b>23</b>	<b>13 816 728</b>	17 842 035
Total liabilities		<hr/> 20 463 040 <hr/>	<hr/> 22 585 453 <hr/>
Total net assets		<hr/> 84 913 622 <hr/> <hr/>	<hr/> 79 224 342 <hr/> <hr/>
NET ASSETS			
Reserves			
Accumulated surplus		<b>83 629 269</b>	78 279 386
Pumping cost reserve		<b>1 284 353</b>	944 956
<b>Net assets</b>		<hr/> <b>84 913 622</b> <hr/>	<hr/> 79 224 342 <hr/>

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Accumulated surplus	Pumping Cost Reserve	Net Assets
<b>Balance at 01 April 2019</b>		<b>73 188 617</b>	<b>460 404</b>	<b>73 649 021</b>
As previously stated,	35	72 967 517	460 404	73 427 921
Prior period error		221 100	-	221 100
<i>Surplus for the year</i>		<b>5 575 312</b>		<b>5 575 312</b>
As previously stated	35	5 479 044		5 479 044
Prior period error		96 268		96 268
<i>Net movement in reserves</i>		<b>(484 552)</b>	<b>484 552</b>	<b>-</b>
Transfers between reserves		(484 552)	484 552	-
<b>Balance at 31 March 2020</b>		<b>78 279 386</b>	<b>944 956</b>	<b>79 224 342</b>
As previously stated	35	77 962 018	944 956	78 906 974
Prior period error		317 368	-	317 368
Surplus for the year		<b>5 689 280</b>	<b>-</b>	<b>5 689 280</b>
<i>Net movement in reserves</i>		<b>(339 397)</b>	<b>339 397</b>	<b>-</b>
Transfers between reserves		(339 397)	339 397	-
<b>Balance at 31 March 2021</b>		<b>83 629 269</b>	<b>1 284 353</b>	<b>84 913 622</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 R'000	2020 Restated R'000
<b>Cash flows from operating activities</b>			
<i>Cash receipts</i>		<b>14 641 044</b>	15 344 676
Taxes and transfers		<b>2 068 669</b>	2 058 319
Sale of water services		<b>11 320 025</b>	11 816 784
Income received in advance: LHWP		<b>758 754</b>	618 382
Construction and other revenue		<b>425 327</b>	757 271
Water research levies - receipts		<b>64 381</b>	91 908
Commission earned		<b>2 885</b>	885
Lease revenue earned		<b>1 003</b>	1 128
<i>Cash payments</i>		<b>(8 007 311)</b>	(7 019 400)
Employee benefits		<b>1 592 071</b>	1 487 638
Water Research Commissioner - payments		<b>130 093</b>	117 364
Goods and services		<b>4 528 163</b>	3 415 117
Finance cost paid		<b>1 756 984</b>	1 999 280
<b>Net cash flows from operating activities</b>	<b>24</b>	<b>6 633 732</b>	8 325 276
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		<b>(131 826)</b>	(358 273)

	<u>                    </u>	<u>                    </u>
<b>Net cash flows used in investing activities</b>	<b>(131 826)</b>	(358 273)
	<u>                    </u>	<u>                    </u>
<b>Cash flows from financing activities</b>		
Finance lease payments	(658)	(1 605)
Repayments of other financial liabilities	(6 161 154)	(5 451 407)
<b>Net cash flows from financing activities</b>	<b>(6 161 812)</b>	(5 453 012)
	<u>                    </u>	<u>                    </u>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>340 095</b>	<b>2 513 991</b>
	<u>                    </u>	<u>                    </u>
<b>Cash and cash equivalents at beginning of year</b>	<b>1 063 048</b>	(1 450 943)
	<u>                    </u>	<u>                    </u>
<b>Cash and cash equivalents at end of year</b>	<b>1 403 143</b>	1 063 048
	<u>                    </u>	<u>                    </u>

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2021**

	<b>Approved</b>	Final	<b>Actual</b>	Variance
<b>Notes</b>	<b>Budget</b>	Budget	<b>Amounts</b>	Amounts
	<b>R'000</b>	R'000	<b>R'000</b>	R'000
<b>Revenue</b>	<b>16 179 689</b>	16 111 260	<b>15 590 441</b>	520 819
Taxes and transfers	<b>2 447 389</b>	2 378 960	<b>2 068 661</b>	310 299
Sale of water services	<b>13 261 100</b>	13 261 100	<b>12 174 938</b>	1 086 162
Construction revenue	<b>302 800</b>	302 800	<b>270 297</b>	32 503
Commission earned	-	-	<b>897</b>	(897)
Lease revenue earned	<b>19 200</b>	19 200	<b>1 004</b>	18 196
Interest revenue	-	-	<b>997 744</b>	(997 744)
Other receipts	<b>149 200</b>	149 200	<b>76 900</b>	72 300
<i>Total revenue</i>	<b>16 179 689</b>	16 111 260	<b>15 590 441</b>	520 819
<b>Expenses</b>	<b>(11 056 946)</b>	(11 056 946)	<b>(9 901 161)</b>	(1 155 785)
Employee benefit costs	<b>1 392 189</b>	1 392 189	<b>1 638 943</b>	(246 754)
Operating expenditure	<b>9 664 757</b>	5 330 616	<b>3 926 677</b>	1 403 939
Impairment on financial assets	-	675 526	<b>675 526</b>	-
Finance cost	-	2 126 706	<b>2 126 706</b>	-
Depreciation, amortisation and impairment	-	1 531 909	<b>1 531 909</b>	-
Loss on disposal of fixed assets	-	-	<b>1 400</b>	(1 400)
<i>Total expenses</i>	<b>(11 056 946)</b>	(11 056 946)	<b>(9 901 161)</b>	(1 155 785)
<b>Surplus/(deficit) from operating activities</b>	<b>5 122 743</b>	5 054 314	<b>5 689 280</b>	(634 966)
<b>Projects expenditure</b>	<b>(3 082 925)</b>	(3 082 925)	<b>(827 158)</b>	(2 255 767)
Allocation from government grants	<b>1 621 338</b>	1 621 338	<b>689 843</b>	931 495
Refurbishment and Rehabilitation and ROCS -Rehabilitation of Conveyance System	<b>1 461 587</b>	1 461 587	<b>137 315</b>	1 324 272
<b>Budget surplus/(deficit)</b>	<b>2 039 818</b>	1 971 389	<b>4 862 122</b>	(2 890 733)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 1 Presentation of Financial Statements

#### 1.1 Statement of compliance

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretation and directives issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

#### 1.2 Adoption of GRAP

The following amended Standards of GRAP became effective and were fully implemented in the current financial year:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash flow statements
GRAP 3	Accounting policies, changes in accounting estimates and errors
GRAP 4	The effects of changes in foreign exchange rates
GRAP 5	Borrowing costs
GRAP 6	Consolidated and separate financial statements
GRAP 9	Revenue from Exchange Transactions
GRAP 11	Construction contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the Reporting Date
GRAP 17	Property, plant and equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 21	Impairment of Non-cash- generating assets
GRAP 23	Revenue from Non-Exchange Transactions (Taxes and Transfers)
GRAP 24	Presentation of Budget information in Financial Statements.
GRAP 25	Employee Benefits
GRAP 26	Impairment of cash generating assets
GRAP 31	Intangible Assets
GRAP 104	Financial Instruments



In addition to the Standards that have to be applied, the WTE has adopted the interpretations to the Standards of GRAP approved that entities are required to apply in terms of Directive 5:

IGRAP 1	Applying the probability test on initial recognition of revenue
IGRAP 2	Changes in existing decommissioning restoration and similar liabilities
IGRAP 3	Determining whether an arrangement contains a lease
IGRAP 4	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
IGRAP 8	Agreements for the construction of assets from exchange transactions
IGRAP 9	Distributions of non-cash assets to owners
IGRAP 10	Assets received from customers
IGRAP 13	Operating Leases - Incentives
IGRAP 14	Evaluating the substance of transactions involving the legal form of a lease
IGRAP 15	Revenue - Barter transactions involving advertising services
IGRAP 16	Intangible Assets - Website Costs
IGRAP 20	Related Party Disclosures

### 1.3 Standards of GRAP issued but not yet effective

The Standards of GRAP that has been issued by the ASB, but where the Minister has not determined an effective date, have not been adopted by the WTE. The WTE used the Standard of GRAP on Related Party Disclosures (GRAP 20) to develop its accounting policies on Related Party Disclosures and the extent of disclosures for related party transactions and balances.

### 1.3.1 Standard utilised in developing accounting policies

The WTE has utilised the following Standard of GRAP to develop its accounting policies and disclosures when adopting GRAP:

GRAP 18	Recognition and Derecognition of Land
GRAP 19	Liabilities to pay Levies

As a result, there will be no impact on the disclosures of interest in other entities when the Standard becomes effective.

### 1.3.2 Standards not yet applicable

It's unlikely that the following Standards and/or amendments to Standards, that have been issued but are not yet effective, will have a material impact on the financial statements of the WTE once they become effective and therefore accounting policies have not been developed for the following Standards:

GRAP 20	Related Party Disclosures
GRAP 32	Service Concession Arrangements: Grantor
GRAP 108	Statutory Receivables
GRAP 109	Accounting by Principals and Agents
GRAP 110	Natural Resources

Based on the analysis of the transactions of the WTE, these Standards do not impact the WTE and the adoption of these Standards will thus have no impact on the current financial statements.

## 1.4 Basis of preparation

These annual financial statements have been prepared on the accruals basis and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

A summary of significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below. These accounting policies are consistent with the previous periods.

## 1.5 Functional currency

The financial statements are presented in South African Rand (R), also the functional currency of the Water Trading Entity. All values are rounded to the nearest thousand (R'000) except where otherwise indicated.

## 1.6 Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and the settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The Water Trading Entity incurred a nett surplus of R5.481Billion (2019/20 R5.530 Billion surplus) Billion).

This has a positive impact on the liquidity ratio and solvency ratios, therefore an entity will be able to operate as a going concern and be able to honour its current obligations as they become due and payable.

The WTE management has every reason to believe that the business has adequate resources to continue as a going concern in the foreseeable future. The going concern assessment was undertaken taking into consideration the following:

- WTE has adequate sources of income from its business and augmentation grant from government to fund operation and maintenance and to refurbish and rehabilitate existing infrastructure for the foreseeable future.
- The augmentation received from National Treasury is used to build new infrastructure and cover the support functions.
- The current ratio of the entity is 3.67 (2019/20 = 4.04) which indicates that the entity has sufficient liquid assets to meet its short-term financial obligations. The quick ratio is 3.63 (2019/20 = 3.98) which is very healthy.
- The debtors' days after impairment have moved from 164.6 days in 2019/20 to 237.9 days in 2020/21 mainly due to non-payment by various municipalities but steps have been taken to recover the outstanding debt.
- The total TCTA liability has decreased significantly by R3.6 billion from R18.9 billion to R15.2 billion and the total Reserves increased from R79.1 billion to R84.6 billion
- The bank balance for the current year was R1.403 billion compared to R1.063 in the 2019/20 financial year.

The WTE is part of the Department of Water and Sanitation, and its on-going operations are effectively underwritten by National Treasury. Management is not aware of material uncertainties related to any events or conditions that may cast significant doubt on entity's ability to continue as a going concern. The quoted liquidity ratios point to a favourable outcome and a significant reduction of total liabilities is a positive indicator that the entity is a going concern.

Based on the above WTE management has assessed the entity's ability to continue as a going concern until the envisaged merger of the Water Trading Entity and the Trans-Caledon Tunnel Authority (TCTA) to form a National Water Resources Infrastructure Agency (NWRIA).

## 1.7 Off-setting

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

## 1.8 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

The effects of restatements are disclosed in note 33.

## 1.9 Significant judgments and sources of estimation uncertainty

### 1.9.1 Initial measurement of financial assets

Short-term financial assets have been measured initially at the transaction price unless there was an indication that the transaction was provided at terms that were longer than the normal credit term of 30 days. Where extended payment terms were given, the transaction prices are discounted at the rate applicable to debt owed to the State to determine the fair value for initial measurement purposes.

### 1.9.2 Impairment of financial assets

An impairment is recognised for estimated losses firstly on an individually significant receivables and secondly on a group of receivables with similar credit risk that are assessed to be impaired based on objective evidence as a result of one or more events that occurred during the reporting period. For debtors which have defaulted, management makes judgments based on an assessment of their ability to make future payments. Creditworthiness is not used in assessing debtor balances. Should the financial condition of the customers change, actual write-offs could differ significantly from the impairment losses recognised. The current year's provision for impairment is based on management's best estimate of the expected cash flows for amounts that are outstanding for longer than the normal payment terms. A full provision was made for trade debtors that could not be traced after significant effort has been made.

### 1.9.3 Useful lives and impairment of assets

The useful life of an asset will approximate the economic life of an asset, except for certain construction equipment which is earmarked for sale. The review of the useful lives and residual values are performed annually based on a risk assessment approach. Where factors exist that indicate that the useful life needs to be amended, the remaining useful life is reviewed as a result. This estimate is based on reasonable judgement, taking into account historical usage patterns as well as the condition of the asset. As the WTE plans to use the assets for their entire economic life, the residual values on these assets are estimated to be zero. The estimated useful life of leased assets that are capitalised are usually equal to the term of the lease contract unless other factors exist that may indicate a shorter lease period.

Property, plant and equipment and intangible assets are assessed annually for indicators of impairment. The assessment takes into account utilisation, condition, functional performance and obsolescence. Changes in these factors may lead to either an impairment loss or a reversal of previous impairment losses recognised.

Property, Plant and Equipment consists of the following classes:

Land

Infrastructure assets

Assets under construction: Infrastructure assets

Assets under construction - Equipment

Construction machinery & equipment

Vehicles

Computer equipment

Equipment

Furniture and fittings

Mobile homes

Motor vehicles

*Whereas Infrastructure assets class consists of the following categories:*

Buildings

Canals

Dams and weirs

Pipelines

Pump stations

Reservoirs

Treatment works

Tunnels

Power Supply

Roads and Bridges

Boreholes

Measuring Facilities

Telemetry

Servitudes

*Intangible assets consists of the following classes:*

Software and licenses

Enduring benefit

The estimated useful lives of property, plant and equipment are as follows:

*Infrastructure assets*

Buildings	1 - 75 years
Canals	1 - 298 years
Dams and weirs	1 - 496 years
Pipelines	1 - 60 years
Pump stations	1 - 75 years
Reservoirs	1 - 80 years
Treatment works	1 - 50 years
Tunnels	1 - 253 years
Power Supply	1 - 30 years
Roads and Bridges	15 - 71 years
Boreholes	8 - 50 years
Measuring Facilities	1 - 80 years
Telemetry	1 - 30 years
Servitudes	3 - 99 years

*Movable assets*

Vehicles	4 - 20 years
Computer equipment	3 - 5 years
Office equipment, furniture and furniture	6 - 20 years
Construction equipment	Based on usage (kilometres, hours, months)
Machinery and equipment	5 - 59 years
Dwellings: mobile homes	20 years

*Intangible assets*

Software and licenses	3 - 13 years
Enduring benefit	Infinite life span

Current assets of the WTE are non-cash generating, despite the fact that certain water users are classified as commercial users. The majority of these projects are funded through additional funds received through Augmentation from the Department of Water & Sanitation - main account. Therefore, any impairment that has been identified was calculated using the recoverable service amount of the asset.

The depreciation methods were assessed and are considered to be appropriate and will not change unless there is a change in the way that assets will be utilised, which is unlikely in the foreseeable future.

1.9.4 *Recognition of servitudes*

Servitudes on land are often acquired as part of construction of water infrastructure. Where the cost of servitudes can be measured reliably, these assets are included in the cost of infrastructure as it forms an integral part of the cost of the asset, and are recognised as separate components of the water infrastructure.

1.9.5 *Agreements with Trans Caledon Tunnel Authority (TCTA)*

As the DWS through WTE is responsible for the development, operation and maintenance of specific water resources infrastructure and managing water resources in specific water management areas, management concluded that the WTE controls the infrastructure assets that are constructed by the TCTA and has to assume the related liabilities. The cost of the assets recognised includes all the cost attributable to the asset until the asset has been ready for its intended use.

1.9.6 *Measurement of inventories on hand*

Materials on hand are to be consumed in the production process. As all the cost incurred are recovered from users or through the augmentation grant, the price of the inventory items are subject to inflation. It is assumed that the net realisable value or replacement cost will be equal to or exceed the cost of the item at year-end. Therefore, there has been no provision made at year-end for losses in the value of stock due to price changes.

All inventories are shown at cost or net realisable value.

1.9.7 *Commitments*

Commitments included in disclosure note 27 have been based on orders relating to capital projects but where the goods or services have not been delivered.

1.9.8 *Contingent liabilities and provisions*

Contingent liabilities and provisions have been based on the best estimate available. Contingent liabilities relating to litigation have been based on the assessment of the estimated claim against the WTE as at 31 March 2021.

1.9.9 *Capitalisation of expenses relating to constructed assets*

The costs of inventory, property, plant and equipment produced internally include materials, depreciation and certain overheads incurred to produce these assets. The allocation of costs to the different items is based on judgment. The allocation usually occurs on a proportionate basis and where the items produced are to be used internally, exclude internal profits. Abnormal losses are determined based on judgment and is excluded from the cost of assets under construction.

#### 1.9.10 *Classification of leases*

The WTE classifies lease agreements in accordance with risks and rewards incidental to ownership. Where the lessor transfers substantially all the risks and rewards to the lessee, the lease is classified as a finance lease. All other leases are classified as operating leases.

#### 1.9.11 *Fruitless and wasteful expenditure*

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance

#### 1.9.12 *Irregular expenditure*

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act, or
- (b) the State Tender Board Act, 1968, or any regulations made in terms of the Act.

This Act in section 1 of the PFMA includes any regulations and instructions issued in terms of section 69, 76, 85 or 91.

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure that was classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

## 2 **Significant accounting policies**

### 2.1 **Revenue**

When the WTE receives value in the form of an asset and directly provides approximate equal value in exchange, the WTE classifies the revenue received or receivable as revenue from exchange transactions. All other revenue is classified as revenue from non-exchange transactions. Revenue is measured at the fair value of the consideration received or receivable, net of any VAT, trade discounts and volume rebates and recognised when it becomes due to the WTE.

#### 2.1.1 *Revenue from non-exchange transactions*

The WTE recognises the inflow of resources from a non-exchange transaction as revenue, except when a liability is recognised in respect of that inflow. These liabilities are classified as payables from non-exchange transactions.

Where services are received in-kind, and a reliable estimate can be made, the WTE will recognise the related revenue. In all other cases, the WTE will only disclose the event.



### 2.1.2 *Revenue from exchange transactions*

Revenue relating to the supply of water is recognised either on the consumption of water by the water users or in accordance with registered volumes, depending on the specific agreement with licensed water users.

Revenue from construction contracts is recognised by reference to the stage of completion of the contract when the outcome of a construction contract can be estimated reliably. The stage of completion is based on the cost to date and is assessed based on surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable in the period in which they are incurred. An expected loss on a contract is recognised immediately in the Statement of Financial Performance in the period in which it was incurred.

Interest is recognised using the effective interest rate method.

Other revenue from exchange transactions is recognised in the statement of financial performance when the revenue becomes due to the WTE.

### 2.1.3 *Agency fees and revenue*

The WTE bills and collects water research levies on behalf of the Water Research Commissioner and earns 2% commission, excluding VAT, on the amount billed. The revenue collected (amounts billed less outstanding debt) is recognised as a liability and the payments made to the WTE decreases the liability. The net asset/liability is recognised in the statement of financial position.

The commission earned is recognised as revenue from exchange transactions in the statement of financial performance and the amount owed/overpaid on the commission is recognised in receivables/payables from exchange transactions.

## 2.2 **Expenditure**

Expenditure is classified in accordance with the nature of the expenditure.

The WTE recognises expenditure in the statement of financial performance when a decrease in future economic benefits or service potential related to a decrease in an asset or an increase of a liability, other than those relating to distributions to owners, has arisen, that can be measured reliably.

The WTE recognises expenses immediately in the statement of financial performance when expenses produce no future economic benefits or service potential or when and to the extent that, future economic benefits or service potential do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

The WTE also recognises expenses in the statement of financial performance in those cases when a liability is incurred without the recognition of an asset, for example, when a liability under a court ruling arises.

Finance cost is recognised as an expense in surplus or deficit in the statement of financial performance in the period in which it is incurred, using the effective interest rate method.

## 2.3 **Borrowing cost**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. The WTE incurs borrowing costs as a result of the construction of infrastructure. The WTE capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. All other borrowing costs are expensed in the period in which it is incurred.

## 2.4 Employee benefits

### 2.4.1 Short-term employee benefits

The WTE recognises an undiscounted amount of short-term benefits due to employees in exchange for the rendering of services by employees as follows:

- As a liability in cases where the amounts have not yet been paid. Where the amount paid exceeds the undiscounted amount of the benefits due, the entity recognises the excess as an asset to the extent that the overpayment will lead to a reduction of future payments or a cash refund.
- As an expense, unless the entity uses the services of employees in the construction of an asset and the benefits received meet the recognition criteria of an asset, at which stage it is included as part of the related property, plant and equipment or intangible asset item.

### 2.4.2 Leave benefits

The WTE recognises the expected cost of short-term employee benefits in the form of compensated absences (paid leave) when the employees render service that increases their entitlement to future compensated absences.

The expected cost of accumulating compensated absences is measured as the additional amount that the WTE expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

### 2.4.3 Performance and service bonuses

The WTE recognises the expected cost of performance or service bonus payments where there is a present legal or constructive obligation to make these payments as a result of past events and a reliable estimate of the obligation can be made. The WTE considers the present obligation to exist when it has no realistic alternative but to make the payments related to performance bonuses.

### 2.4.4 Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy for these benefits or resigns. The WTE recognises termination benefits when it is demonstrably committed either to terminate the employment of current employee(s) according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after the end of the financial year are discounted to present value.

### 2.4.5 Retirement and medical benefits

The WTE contributes towards the pension fund and the medical aid for its employees through a defined contribution plan. Once the contributions are paid, the WTE has no further payment obligations. The contribution paid is charged to employee expenses in the same year as the related service is provided.

## 2.5 Leases

### 2.5.1 The WTE as a lessee

The WTE classifies certain leases of equipment and vehicles as finance leases.

The assets acquired under finance leases are recognised as assets and the associated lease obligations as liabilities in the statement of financial position at the commencement of the lease term. The assets and liabilities is recognised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Where practicable, the discount rate used to calculate the present value of the minimum lease payments is the interest rate implicit in the lease. Where this is not practical, the WTE's incremental borrowing rate is used. Any initial direct costs are added to the amount recognised as an asset.

The WTE measures the liability as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest (i.e. the WTE recognises the capital portion of the obligation as a liability and recognises the interest over the lease term).

The leased assets are subsequently measured at cost less accumulated depreciation and impairment. The leased assets are depreciated over the shorter of the lease agreement or the useful life of the asset. The minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases that are longer than 1 year are measured on a straight-line basis as an expense, and the difference between the actual payments and the expense is accrued through payables or receivables. Where the lease is less than 1 year, the actual expenses is recognised in the statement of financial performance.

#### 2.5.2 *The WTE as a lessor*

The WTE receives lease revenue for the hiring out of equipment and renting of houses to its employees.

Lease revenue from operating leases is recognised as revenue on a straight-line basis over the lease term, where the lease term can be determined. The lease charge of construction equipment is based on a charge-out tariff determined on a cost recovery basis.

## 2.6 Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the WTE, and the cost or fair value of the item can be measured reliably. An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

After recognition as an asset, items of property, plant and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses, except for assets under construction. Subsequent costs are included in the assets carrying amount or recognised as a separate asset only when it is probable that the future economic benefits associated with the item will flow to the entity and the cost of that item can be reliably measured.

Assets under construction are stated at cost, excluding abnormal losses. Depreciation only commences on these assets when they are in the condition necessary for them to be capable of operating in the manner intended by management.

Cost comprises of the purchases price or construction cost of the asset (excluding internal profits), costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and an estimate of the cost of dismantling or rehabilitation.

Where an intangible asset is an integral part of an item of property, plant and equipment, the cost of the intangible asset is not recognised separately from the cost of the asset, but rather, it is included as a separate component of the asset.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The depreciable amount of an asset is allocated on a systematic basis over its useful life. Depreciation is calculated on a straight-line basis over the expected life of each major component of an asset. Depreciation is charged to the statement of financial performance unless it forms part of the cost of inventories or the cost of assets under construction.

The residual value and the useful life of an asset is reviewed at least at each reporting date and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate.

The WTE must assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the WTE will estimate the recoverable service amount of the asset. Items of property, plant and equipment are tested for impairment whenever there are impairment indicators. An impairment loss is recognised where the carrying amount exceeds recoverable service amount for non-cash generating assets and where the carrying amount exceeds the recoverable amount for cash-generating assets.

The WTE assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the WTE will estimate the recoverable service amount of that asset. An impairment loss recognised in prior periods for an asset is only reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised.

Impairment and reversals of impairment is recognised in the statement of financial performance at the time when the event occurred.

Gains or losses arising from the derecognition of an item of property, plant and equipment is recognised directly in surplus or deficit in the statement of financial performance when the item is derecognised. The gain or loss arising

## 2.7 Intangible assets

Identifiable intangible assets are recognised if, and only if it is probable that future economic benefits or service potential associated with the asset will flow to the WTE, and the cost or fair value of the item can be measured reliably. An intangible asset is measured initially at cost. Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition, is measured at its fair value as at that date.

An asset meets the identifiability criterion in the definition of an intangible asset when it is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is recognised in the statement of financial performance on a straight-line basis over the estimated useful lives of intangible assets, unless such useful lives are indefinite.

An intangible asset with an indefinite useful life is not amortised. Intangible assets with an indefinite useful life or an intangible asset not yet available for use, are tested for impairment at the end of each financial year and whenever there is any indication that the intangible asset could be impaired. Other intangible assets are only tested for impairment where there is an indication that impairment exists.

Gains and losses on intangible assets, including impairment and impairment reversals, are treated similarly to gains and losses for property, plant and equipment.

## 2.8 Non-current assets held for sale

The WTE classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable, i.e. a committed plan to dispose of the asset will exist.

The WTE measures non-current assets classified as held for sale at the lower of carrying amount and fair value less costs to sell.

## 2.9 Inventory

Inventories are assets in the form of materials or supplies to be consumed in the production process; in the form of materials or supplies to be consumed or distributed in the rendering of services; held for sale or distribution in the ordinary course of operations; or in the process of production for sale or distribution.

Inventory is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the WTE; and the cost of the inventory can be measured reliably.

Inventory is initially measured at cost (or fair value if the item was acquired through a non-exchange transaction), and subsequently measured at the lower of cost or net realisable value. Costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition are included in the cost of inventories. Construction and building materials are measured using the First-In-First-Out method and all other inventories are measured using the Weighted Average Cost method. Where inventory is distributed at no or a nominal charge, inventory is measured at the lower of cost or replacement cost.

## 2.10 Construction contracts and receivables

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by completion of a physical proportion of the contract work. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

The WTE classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable, i.e. a committed plan to dispose of the asset will exist.

The WTE measures non-current assets classified as held for sale at the lower of carrying amount and fair value less costs to sell.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

## 2.11 Construction work in progress

Construction Work-in-progress are the costs incurred that are directly attributable to the specific projects that are currently in progress and can be allocated to the project on a systematic and rationale basis.

## 2.12 Financial instruments

### 2.12.1 *Initial recognition and classification*

The WTE classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or a residual interest in accordance with the substance of the contractual arrangement.

Financial instruments are recognised initially when the WTE becomes a party to the contractual provisions of the instruments and WTE funds are committed or receive the benefits.

The WTE does not offset a financial asset and a financial liability unless a legally enforceable right to set off the recognised amounts currently exists; and the entity intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 2.12.2 *Initial measurement*

Financial instruments are initially measured at fair value.

### 2.12.3 *Transaction costs*

Transaction costs on financial instruments at fair value are recognised in the statement of financial performance. Transactions costs on other financial instruments are included in the cost of the instrument.

#### 2.12.4 *Subsequent measurement*

All non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding instruments that has been designated at fair value or are held for trading, are measured at amortised cost. Instruments that do not meet the definition of financial assets or financial liabilities measured at amortised cost are measured at fair value unless fair value cannot be determined. Those instruments, where fair value cannot be measured reliably, is measured at cost.

Amortised cost is calculated based on the effective interest rate method.

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Net gains or losses on the financial instruments at fair value through profit or loss includes transaction costs, interest and foreign exchange gains or losses. A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

#### 2.12.5 *Impairment of financial assets*

At each reporting date the WTE assesses all financial assets, other than those at fair value, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

The inability to redeem amounts due based on the current stream of payments, and default of payments are considered to be indicators of impairment.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Impairment losses are recognised in the statement of financial performance as expenses.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed does not exceed the carrying amount that would have been recognised had the impairment not been recognised.

Reversals of impairment losses are recognised in the statement of financial performance as revenue.

Impairment losses are not reversed for financial assets held at cost where fair value was not determinable.

The following items included in the statement of financial position contains financial instruments:

- Cash and cash equivalents;
- Receivables from exchange transactions;
- Other financial assets;
- Payables from exchange transactions; and
- Other financial liabilities (including bank overdraft).

### 2.12.6 **Financial assets**

The WTE derecognises financial assets using trade date accounting.

The WTE derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the WTE transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the WTE, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the WTE :
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the WTE transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the WTE adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the WTE obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the WTE recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the WTE has retained substantially all the risks and rewards of ownership of the transferred asset, the WTE continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the WTE recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.



**Financial liabilities**

The WTE removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred, or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another WTE by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

**2.13 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are initially and subsequently measured at fair value.

**2.14 Receivables from exchange transactions**

Receivables from exchange transactions measured at amortised cost arise from transactions with water users. Prepayments and advances consist of amounts paid to contractors and employees for which future goods and services are expected to be received. Prepayments and advances are not classified as financial instruments.

**2.15 Receivables from non-exchange transactions**

Receivables from non-exchange transactions are recognised when the WTE has a right to receive the monies due to it, which are allocated in terms of legislation or are due in accordance with an agreement in which the WTE is receiving non-exchange revenue. Receivables from non-exchange transactions are initially measured at fair value and subsequently measured at amortised cost.

**2.16 Other financial assets**

Other financial assets are measured at fair value unless the fair value cannot be determined reliably. Where fair value cannot be determined, financial assets are measured at cost.

**2.17 Payables from exchange transactions**

The WTE recognises payables from exchange transactions where liabilities result in counter performance by the respective parties.

Payables from exchange transactions are initially measured at fair value and are subsequently measured at amortised cost.

**2.18 Payables from non-exchange transactions**

The WTE recognises payables from non-exchange transactions for amounts received through non-exchange revenue, which are not recognised as revenue as a result of outstanding obligations.

Payables from non-exchange transactions are initially measured at fair value and are subsequently measured at amortised cost.

### 2.19 Other financial liabilities

Included in other financial liabilities are the liability incurred to the TCTA. The liability is initially measured at fair value and is subsequently measured at fair value. Effective interest is capitalised against the amounts outstanding in accordance with the respective agreements.

### 2.20 Financial liabilities: Income received in advance

The income received in advance is recognised at Fair Value. The following criteria were used to determine the fair value valuation: the respective agreements.

- It is a non-derivative financial liability with determinable payments
- The liability represents agreed settlement amounts between knowledgeable, willing parties in an arm's length transaction.
- The Fair-value valuation is intended to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring the liability or recognising gains and losses on them if the liability was recognised on different bases, as the tariffs billed are pre-agreed.

### 2.21 Provisions and accruals

Provisions and accruals are liabilities where uncertainty exists about the timing or amount of the future expenditure required to settle the liability.

The WTE recognises, in payables, an amount for accruals where an estimate is made of the amounts due for goods or services that have been received or supplied, but the invoice is outstanding or a formal agreement with the supplier has not been concluded.

Provisions are liabilities, excluding accruals that are recognised where the WTE has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the amount to settle the present obligation at the reporting date, discounting to present value where the time value of money is expected to be material.

### 2.22 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in notes 31 and 32.

### 2.23 Reserves

The WTE classifies its reserves in two categories namely pumping cost reserve and accumulated reserves. None of these reserves are distributable reserves.

#### 2.23.1 Pumping cost reserve

The WTE recovers an additional charge from specific water users in the Vaal River scheme to cover for pumping costs. This additional fee is charge to reduce the impact of price increases as a result of additional pumping cost incurred in times of emergencies, drought and other contingencies.

A transfer is made from the accumulated reserves to the pumping cost for amounts recovered from users for pumping cost and from pumping cost to accumulated reserves for the actual costs incurred.

**2.23.2** *Accumulated reserves*

Accumulated reserves consist of the net assets less amounts transferred to other reserves. Accumulated reserves are mainly build up as a result of the depreciation and return on asset charge included in the pricing strategy and the capital portion of augmentation funds included in revenue recognised. This is to ensure adequate rehabilitation and maintenance of existing infrastructure and future infrastructure development.

**2.24** **Budget information**

The budget is prepared on a modified accrual basis. The WTE Budget compromise of revenue from the transfer payment received from the Department of Water and Sanitation (Main Exchequer Account) as well as revenue received from raw water sales.

**2.25.** **Related parties**

Related parties are people (or a close member of that person's family) or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum the following are regarded as related parties of WTE, the minister, Department of Water and Sanitation, all other clients departments, all national public entities, Water boards and Water user associations and the management of the WTE.

**2.26.** **Irregular, fruitless and wasteful expenditure and material losses through criminal conduct**

Irregular, fruitless and wasteful expenditure and material losses through criminal conduct is recognised as expenditure in the statement of financial performance according to the nature of the payment and disclosed separately in notes 31 and 32. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Any receivable recognised as a result of irregular, fruitless and wasteful expenditure or material losses through criminal conduct are subject to an annual impairment assessment.

**2.27.** **Events after reporting date**

The Accounting Authority is not aware of any matter or circumstances arising since the end of the financial year to the date of this report in respect of matters that would require adjustments to or disclosure in the annual financial statements.

3	Revenue from exchange transactions	2021 R'000	2020 R'000
	<b>Notes</b>		
	Sale of water services	<b>12 174 938</b>	12 129 483
	Construction revenue	<b>270 297</b>	214 517
	Commission earned	<b>897</b>	885
	Short-term deposits and bank accounts	<b>897</b>	885
	Interest revenue	<b>997 744</b>	1 391 784
	Receivables	<b>997 738</b>	1 391 773
	Short-term deposits and bank accounts	<b>6</b>	11
	Lease revenue earned	<b>1 004</b>	1 177
	Property	<b>1 004</b>	1 177
	Sale of goods - scrap materials and wastepaper	<b>61</b>	476
	Other revenue	<b>76 081</b>	322 333
		<b>13 521 022</b>	14 060 655

The fair value of inflowing resources was measured based on the fair value of the cash consideration received or receivable, net of any discount and VAT.

<b>4 Revenue from non-exchange transactions</b>	<b>2021</b>	2020
	<b>R'000</b>	R'000
<b>Notes</b>		
<b>Transfer revenue includes:</b>		
Funds from the Department of Water & Sanitation	<b>2 068 661</b>	2 058 292
<b>Other revenue:</b>		
Assets received/transferred	<b>750</b>	252 160
Water usage license fees	<b>8</b>	27
	<hr/> <b>2 069 419</b> <hr/>	2 310 479

Funds are transferred from the Department of Water & Sanitation as an augmentation to revenue earned to enable the WTE to carry out its operating activities.

<b>5 Employee benefit costs</b>	<b>2021</b>	2020
	<b>R'000</b>	R'000
<b>Notes</b>		
<i>Employee benefits consists of:</i>		
Short term employee benefits	<b>1 796 563</b>	1 681 363
<i>Less: direct labour capitalised to assets under construction</i>	<b>(46 874)</b>	(114 049)
<i>Less: amounts capitalised to construction costs for third parties</i>	<b>(110 746)</b>	(106 059)
Basic salaries and wages	<b>1 168 350</b>	1 039 312
Car allowances	<b>3 258</b>	2 404
Housing allowances	<b>44 922</b>	43 209
Leave pay - adjustment	<b>50 714</b>	28 834
Long term service awards	<b>3 231</b>	4 693
Medical fund contributions	<b>75 291</b>	66 462
Overtime	<b>28 939</b>	28 918
Pension fund contributions	<b>113 893</b>	106 195
Performance bonuses	<b>66 632</b>	52 980
Service bonus (13th cheque)	<b>69 753</b>	78 097
UIF contributions	<b>1 606</b>	1 005
Other short-term benefits	<b>12 354</b>	9 146
	<b>1 638 943</b>	1 461 255

6 Operating expenditure	2021 R'000	2020 R'000
Notes		
<i>Construction costs incurred</i>	<b>251 012</b>	214 022
<i>Other operating expenditure</i>		
Administrative fees	<b>2 441</b>	928
Audit cost	<b>20 276</b>	15 566
Communication	<b>21 976</b>	58 382
Computer services	<b>5 511</b>	5 880
Electricity	<b>495 383</b>	376 329
Entertainment	<b>25</b>	-
Administrative costs & LHWP Royalties: TCTA	<b>1 749 708</b>	1 485 831
Materials consumed	<b>97 341</b>	104 746
Maintenance, repairs and running costs	<b>9 245</b>	223 054
Operating leases	<b>135 454</b>	157 401
Owned and leasehold property expenditure	<b>220 224</b>	26 699
Professional services: Business and advisory services, contractors, and agency/outsourced services	<b>274 939</b>	189 312
Professional services: Infrastructure and planning	<b>128 481</b>	40 691
Printing, posting and stationery	<b>6 914</b>	8 927
Travel and subsistence	<b>98 121</b>	107 482
Training and staff development	<b>3 088</b>	6 815
Venues and facilities	<b>44</b>	512
Auxiliary	<b>271 821</b>	190 511
	<b>3 792 004</b>	3 213 088

7 Repairs and maintenance – Property, plant and equipment	2021	2020
	R'000	R'000
<b>Notes</b>		
Maintenance, repairs and running costs - Property, plant and equipment	<b>134 673</b>	280 067
	<b>134 673</b>	280 067



<b>8</b>	<b>Impairment on financial assets</b>	<b>2021</b>	2020
		<b>R'000</b>	R'000
	<b>Notes</b>		
	<b>Impairment relating to:</b>		
	Trade receivables	<b>673 601</b>	2 008 046
	Staff receivables	<b>529</b>	71
	Other receivables	<b>1 397</b>	-
		<hr/> <b>675 526</b>	<hr/> 2 008 117
		<hr/> <hr/> <b>675 526</b>	<hr/> <hr/> 2 008 117
<b>9</b>	<b>Finance cost</b>	<b>2021</b>	2020
		<b>R'000</b>	R'000
	<b>Notes</b>		
	Finance leases	<b>65</b>	61
	Interest on amortised payables	<b>2 126 641</b>	2 099 915
		<hr/> <b>2 126 706</b>	<hr/> 2 099 976
		<hr/> <hr/> <b>2 126 706</b>	<hr/> <hr/> 2 099 976

10 Depreciation, amortisation, and impairment	2021 R'000	2020 R'000
	<b>Notes</b>	
<b>Depreciation on property, plant, and equipment</b>	<b>1 473 381</b>	1 286 784
Computer equipment	4 079	7 746
Equipment	18 689	25 814
Furniture and Fittings	1 956	2 761
Infrastructure	1 446 341	1 247 582
Leased equipment	1 721	2 768
Mobile homes	260	(231)
Vehicles	336	343
<b>Amortisation and Impairment on intangible assets</b>	<b>26 884</b>	53 923
Computer software	26 884	53 923
<b>Change in estimate - depreciation</b>	<b>(23 898)</b>	(22 970)
Computer equipment	(232)	(2 767)
Equipment	(106)	(11 013)
Furniture and Fittings	(162)	(902)
Infrastructure	(23 194)	-
Leased equipment	(178)	-
Mobile homes	(26)	473
Vehicles	-	998
Computer software	(1)	(9 758)
<b>Impairment and impairment reversals</b>	<b>55 542</b>	426 958
Infrastructure	55 542	32 533
Assets under construction: Infrastructure assets	-	394 425
<b>Change in estimate - impairment</b>	-	(14 059)
Infrastructure	-	(14 059)
	<b>1 531 909</b>	1 730 636

The remaining useful lives of all assets were assessed during the year. A change in accounting estimate was affected in relation to assets whose Remaining useful life was increased/decreased for assets still in use. The effect of the change in accounting estimate on the current year's results was a decrease in the current year's surplus by R23.898 million.

<b>11</b>	<b>Loss on disposal of fixed assets</b>	<b>2021</b>	2020
		<b>R'000</b>	R'000
	<b>Notes</b>		
	Loss on disposal of fixed assets	<b>1 400</b>	2 684
		<b>1 400</b>	2 684
<b>12</b>	<b>Cash and cash equivalents</b>	<b>2021</b>	2020
		<b>R'000</b>	R'000
	<b>Notes</b>		
	<i>Cash and cash equivalents at fair value:</i>		
	Current accounts at commercial banks	<b>1 402 972</b>	1 062 427
	Short-term deposits	<b>166</b>	160
	Cash on hand	<b>6</b>	461
		<b>1 403 143</b>	1 063 048

13 Receivables from exchange transactions	2021	2020
	R'000	R'000
<b>Notes</b>		
<b>Current</b>		
<i>Financial assets at amortised cost</i>		
Trade receivables	20 934 340	17 920 736
Less: Provision for impairment	(11 714 908)	(11 176 296)
Carrying amount at the beginning of the period	(11 176 296)	(8 867 043)
Trade receivables written off	236 028	-
Current year provision	(774 640)	(2 309 253)
	<b>9 219 432</b>	<b>6 744 440</b>
<b>Staff related receivables</b>	<b>8 822</b>	<b>8 654</b>
<b>Less: Provision for impairment</b>	<b>(6 667)</b>	<b>(6 138)</b>
Carrying amount at the beginning of the period	(6 138)	(6 067)
Current year provision	(529)	(71)
	<b>2 155</b>	<b>2 516</b>
Claims recoverable - Departments	<b>390</b>	<b>372</b>
<b>Other receivables</b>	<b>673 222</b>	<b>46 023</b>
<b>Less: Provision for impairment on other receivables</b>	<b>(82 822)</b>	<b>(81 217)</b>
Carrying amount at the beginning of the period	(81 217)	(405 257)
Trade receivables written off	48	-
Change in estimates	-	324 041
Current year provision	(1 653)	-
	<b>590 400</b>	<b>(35 194)</b>
	<b>9 812 377</b>	<b>6 712 134</b>

The fair value of the short-term receivables approximates the carrying amount of the balances due to their short-term maturity.

Below is the entity's age analysis as at 31 March 2021. The entity system ages the number of days that the invoices are outstanding from the date of invoice.

### 31 March 2021

Customer category	Total	Current	30+ Days	60+ Days	90+ Days	120+ Days	150+ Days
Bulk Payers (BP)	226			1	-	3	221
Company (C)	2 988 165	655 174	(40 990)	33 422	(185 895)	104 092	2 422 362
District Municipalities (DM)	1 946 208	38 840	(785)	40 524	-	31 908	1 835 722
Individual (I)	884 065	45 844	8 184	80 504	(81)	4 478	745 135
Irrigation Boards (IB)	465 048	73 956	13 247	5 964	(1 395)	(133)	373 408
Local Municipalities (LM)	5 407 879	61 027	183 630	113 029	-	101 269	4 948 924
Metropolitan Municipalities (MM)	2 18 523	(7 491)	40 703	12 013	(4 506)	16 595	161 209
National Government (N)	267 040	13 132	2 671	3 229	-	1 721	246 286
Provincial Government (P)	18 651	217	200	228	-	106	17 900
Water boards (WB)	6 813 254	1 095 054	465 991	161 870	-	90 988	4 999 350
Water User Association (A)	1 715 297	(13 271)	69 691	59 136	-	54 791	1 544 949
<b>Grand Total</b>	<b>20 724 356</b>	<b>1 962 483</b>	<b>742 545</b>	<b>509 920</b>	<b>(191 877)</b>	<b>405 818</b>	<b>17 295 467</b>

### 31 March 2020

Bulk Payers (BP)	196		3	-	-	-	194
Company (C)	2 591 076	439 980	576 303	(162 985)	(10 375)	(22 769)	1 770 923
District Municipalities (DM)	1 729 621	42 759	168 221	(507)	26 680	56 141	1 436 328
Individual (I)	676 148	50 870	47 897	(120)	2 334	3 807	571 360
Irrigation Boards (IB)	363 031	48 718	26 133	(423)	(1 060)	2 138	287 524
Local Municipalities (LM)	4 603 198	98 772	428 721	(39)	66 022	199 091	3 810 631
Metropolitan Municipalities (MM)	153 924	34 050	68 965	(1 128)	8 274	23 636	20 127
National Government (N)	239 499	12 265	16 430	-	655	6 108	204 040
Provincial Government (P)	16 585	221	1 543	-	197	314	14 310
Water Boards (WB)	5 829 170	814 213	1 009 533	(31 785)	56 529	127 485	3 853 195
Water User Association (A)	1 451 983	146 354	161 938	(2)	38 833	115 471	989 390
<b>Grand Total</b>	<b>17 654 432</b>	<b>1 688 203</b>	<b>2 505 685</b>	<b>(196 989)</b>	<b>188 090</b>	<b>511 422</b>	<b>12 958 022</b>

<b>14</b>	<b>Advances to public entities</b>	<b>2021</b>	2020
		<b>R'000</b>	R'000
	<b>Notes</b>		
	Receivables - Advances	<b>216 806</b>	90 486
	Carrying amount at the beginning of the period	<b>758 750</b>	174 150
	Additions	<b>(8 120)</b>	-
	Advances written off	<b>(274 344)</b>	(47 830)
	Less: amount utilised	<b>216 806</b>	90 486
		<b>693 092</b>	216 806
<b>15</b>	<b>Inventory</b>	<b>2021</b>	2020
		<b>R'000</b>	R'000
	<b>Notes</b>		
	Construction and building materials	<b>113 226</b>	116 919
	Consumables	<b>9 100</b>	10 514
	Fuel and lubricants	<b>11 370</b>	8 679
	Stationery	<b>3 632</b>	3 391
		<b>137 328</b>	139 503
<b>16</b>	<b>Construction Work in Progress</b>	<b>2021</b>	2020
		<b>R'000</b>	R'000
	<b>Notes</b>		
	Construction Work in Progress	<b>234 625</b>	183 799
		<b>234 625</b>	183 799

## 17 Property, plant and equipment

Summary	31 March 2021		31 March 2020			
	Cost / revaluation R'000	Accumulated depreciation and impairment R'000	Carrying amount R'000	Cost / revaluation R'000	Accumulated depreciation and impairment R'000	Carrying amount - Restated R'000
<b>Owned assets</b>	<b>99 326 869</b>	<b>(27 252 936)</b>	<b>72 073 933</b>	<b>99 143 683</b>	<b>(25 755 970)</b>	<b>73 387 713</b>
Assets under construction: Infrastructure assets***	5 248 662	(1 116 496)	4 132 166	5 126 292	(1 116 496)	4 009 796
Computer equipment	72 032	(60 793)	11 239	67 217	(57 075)	10 142
Equipment	1 491 225	(915 349)	575 876	1 490 269	(903 416)	586 853
Furniture and fittings	96 531	(73 437)	23 094	94 897	(71 380)	23 517
Infrastructure assets**	84 384 747	(24 774 391)	59 610 356	84 331 462	(23 295 703)	61 035 759
Infrastructure: Land	7 960 110	(245 161)	7 714 949	7 960 110	(245 161)	7 714 949
Mobile homes	66 904	(61 381)	5 523	66 778	(61 147)	5 631
Motor vehicles	6 658	(5 928)	730	6 658	(5 592)	1 066
<b>Leased assets</b>	<b>4 160</b>	<b>(2 139)</b>	<b>2 021</b>	<b>7 141</b>	<b>(5 249)</b>	<b>1 892</b>
Equipment	4 160	(2 139)	2 021	7 141	(5 249)	1 892
	99 331 029	(27 255 075)	72 075 954	99 150 824	(25 761 219)	73 389 605

**\*\*Infrastructure assets consist of the following categories:**

31 March 2021				31 March 2020		
Asset Class Description	Accumulated Cost 31.03.2021	Accumulated depreciation 31.03.2021	Carrying amount	Accumulated Cost 31.03.2020	Accumulated depreciation 31.03.2020	Carrying amount
Buildings	3 022 976	(1 400 363)	1 622 613	2 981 750	(1 391 849)	1 589 901
Canals	12 148 560	(5 610 828)	6 537 732	12 092 363	(5 576 857)	6 515 506
Dams	40 383 397	(8 371 892)	32 011 505	40 362 323	(8 108 721)	32 253 603
Pipelines	10 879 834	(3 184 933)	7 694 901	10 872 682	(2 996 553)	7 876 130
Pump stations	3 856 389	(1 209 695)	2 646 694	3 827 903	(1 110 966)	2 716 938
Tunnels	8 912 409	(2 874 600)	6 037 809	8 907 636	(2 791 212)	6 116 424
Measuring facilities	3 344 200	(1 421 377)	1 922 823	3 344 200	(1 390 735)	1 819 099
Other	1 836 983	( 700 703)	1 136 279	1 942 603	71 189	1 651 163
	<b>84 384 747</b>	<b>(24 774 391)</b>	<b>59 610 356</b>	<b>84 331 462</b>	<b>(23 295 703)</b>	<b>61 035 759</b>

**\*\*\*Assets under construction consist of the following categories:**

31 March 2021		31 March 2020	
Asset Class Description	Carrying amount	Asset Class Description	Carrying amount
Buildings	333 189	Buildings	398 829
Canals	961 188	Canals	960 239
Dams	2 540 364	Dams	2 296 327
Pipelines	65 886	Pipelines	67 335
Pump stations	122 932	Pump stations	156 844
Tunnels		Tunnels	19 522
Roads and Bridges	36 749	Roads and Bridges	38 039
Treatment Works	29 746	Treatment Works	25 398
Other	42 112	Other	47 263
	<b>4 132 166</b>		<b>4 009 796</b>

Leased assets are encumbered by finance lease liabilities. Refer Note 21.

Assets Under Construction were halted either during the current year or previous years mainly due to disputes with Contractors and the full amount has been impaired. The total accumulated impaired to date amount to: R1 117 billion.

Assets under construction – Projects that were taking significantly longer period to complete than expected amount to R109 million. The significant delay projects was due to Contractual dispute with contractors.



Movement 2021	31 March 2020					31 March 2021		
	Carrying amount restated R'000	Additions R'000	Disposals and write-offs R'000	Transfers R'000	Depreciation R'000	Change in Estimate R'000	Impairment R'000	Carrying amount R'000
<b>Owned assets</b>	<b>73 387 714</b>	<b>267 751</b>	<b>(2 532)</b>	<b>(75 554)</b>	<b>(1 471 660)</b>	<b>23 719</b>	<b>(55 542)</b>	<b>72 073 934</b>
Assets under construction:	4 009 796	251 024	-	(128 655)	-	-	-	4 132 166
Infrastructure assets	10 142	4 987	(42)	-	(4 079)	232	-	11 239
Computer equipment	586 853	9 794	(2 138)	-	(18 689)	106	-	575 876
Equipment	23 517	1 636	(353)	-	(1 956)	162	-	23 094
Furniture and fittings	61 035 759	183	-	53 101	(1 446 341)	23 194	(55 542)	59 610 356
Infrastructure assets	7 714 949	-	-	-	-	-	-	7 714 949
Infrastructure: Land	5 631	126	-	-	(260)	26	-	5 523
Mobile homes	1 066	-	-	-	(336)	-	-	730
Motor vehicles								
<b>Leased assets</b>	<b>1 891</b>	<b>1 672</b>	<b>-</b>	<b>-</b>	<b>(1 721)</b>	<b>178</b>	<b>-</b>	<b>2 020</b>
Equipment	1 892	1 672	-	-	(1 721)	178	-	2 021
<b>Total assets</b>	<b>73 389 605</b>	<b>269 423</b>	<b>(2 532)</b>	<b>(75 554)</b>	<b>(1 473 381)</b>	<b>23 897</b>	<b>(55 542)</b>	<b>72 075 954</b>

Movement 2020	31 March 2019						31 March 2020	
	Carrying amount restated R'000	Additions R'000	Disposals and write-offs R'000	Transfers R'000	Depreciation R'000	Change in Estimate R'000	Impairment R'000	Carrying amount R'000
<b>Owned assets</b>	<b>74 835 692</b>	<b>436 192</b>	<b>(1 188 655)</b>	<b>(36 123)</b>	<b>(1 269 806)</b>	<b>27 271</b>	<b>(426 958)</b>	<b>73 387 714</b>
Assets under construction: Infrastructure assets	4 268 673	418 645	(184 968)	(108 156)	-	-	(394 425)	4 009 796
Computer equipment	9 365	5 956	(251)	51	(4 979)	2 767	-	10 142
Equipment	595 212	8 250	(2 299)	477	(14 801)	11 013	-	586 853
Furniture and fittings	23 406	2 459	(1 093)	580	(1 859)	902	-	23 517
Infrastructure assets	62 221 227	-	-	66 343	(1 247 582)	14 059	(32 533)	61 035 759
Infrastructure: Land	7 710 228	-	-	4 721	-	-	-	7 714 949
Mobile homes	5 288	575	-	10	(242)	(473)	-	5 631
Motor vehicles	2 154	307	(44)	(10)	(343)	(998)	-	1 066
<b>Leased assets</b>	<b>3 639</b>	<b>1 074</b>	<b>(51)</b>	<b>-</b>	<b>(2 768)</b>	<b>-</b>	<b>-</b>	<b>1 892</b>
Equipment	3 638	1 074	(51)	-	(2 768)	-	-	1 892
	<b>74 839 331</b>	<b>437 266</b>	<b>(1 188 705)</b>	<b>(36 123)</b>	<b>(1 272 574)</b>	<b>27 271</b>	<b>(426 958)</b>	<b>73 389 608</b>

18 Intangible assets	2021	2020
	R'000	R'000
<b>Notes</b>		
<b>Summary</b>		
<b>Enduring benefit</b>	<b>20 984 538</b>	20 042 411
Gross carrying amount: Lesotho Highlands	<b>15 844 203</b>	15 844 203
Gross carrying amount: Lesotho Highlands Phase 2 Assets under construction	<b>3 870 612</b>	2 928 485
Gross carrying amount: Komati Basin Water Authority (KOBWA)	<b>1 269 723</b>	1 269 723
Computer software	<b>35 605</b>	62 489
Gross carrying amount	<b>743 368</b>	744 109
Accumulated amortisation and impairment	<b>(707 763)</b>	(681 620)
	<b>21 020 143</b>	20 104 900
<b>Reconciliation</b>		
<b>Enduring benefit</b>	<b>20 984 537</b>	20 042 412
Gross carrying amount at the beginning: Lesotho Highlands	<b>15 844 203</b>	15 844 203
Gross carrying amount at the beginning: Lesotho Highlands Phase 2 assets under construction	<b>2 928 485</b>	<b>1 186 743</b>
Gross carrying amount at the beginning: KOBWA	<b>1 269 723</b>	1 269 723
Additions	<b>942 127</b>	<b>1 741 742</b>
Computer software	<b>35 606</b>	52 730
Gross carrying amount at the beginning	<b>62 489</b>	106 563
Additions	-	90
Amortisation and impairment	<b>(26 884)</b>	(53 923)
Change in estimate	<b>1</b>	9 758
	<b>21 020 143</b>	20 104 900

In terms of a treaty between South Africa and Eswatini as well as a treaty that of South Africa and Lesotho, South Africa has a right to receive water in perpetuity and this right is capitalised as an enduring benefit. The enduring benefit is then assessed annually for impairment. The assessment is based on any indicators that may impact the delivery of the water in terms of the agreements with these two countries (i.e Eswatini and Lesotho). Based on the assessment performed, no impairment has been identified. The assets under construction relates to Lesotho Highlands Phase 2 in which South Africa will, in terms of the treaty, have the right to receive water once the project has been finalised.

<b>19 Payables from exchange transactions</b>	<b>2021</b>	2020
	<b>R'000</b>	R'000
	<b>Notes</b>	
<b>Current</b>		
<b>Financial liabilities at amortised cost</b>	<b>963 024</b>	600 758
Trade payables	<b>219 479</b>	115 112
Accruals	<b>526 773</b>	312 307
Amounts due to customers: <b>trade debtors</b>	<b>141 270</b>	97 837
Retention creditors	<b>75 502</b>	75 502
VAT payable	<b>1 009 706</b>	252 044
Other payables	<b>33 180</b>	158 031
	<b>8 981</b>	4 441
Unclaimed deposits	<b>8 975</b>	4 435
Advances received	<b>6</b>	6
	<b>2 014 891</b>	1 015 274

20	Employee benefits liability	2021 R'000	2020 R'000
	<b>Notes</b>		
	<i>Current obligations:</i>		
	<b>Leave benefits due</b>	<b>163 237</b>	133 545
	Carrying amount at the beginning of the period	<b>133 545</b>	119 328
	Current service costs	<b>163 237</b>	231 649
	Less: benefits utilised	<b>(133 545)</b>	(217 432)
	<b>Performance bonuses</b>	<b>66 346</b>	19 288
	Carrying amount at the beginning of the period	<b>19 288</b>	18 277
	Current service costs	<b>66 345</b>	19 288
	Less: benefits utilised	<b>(19 288)</b>	(18 277)
	<b>Service bonuses - 13th Cheque</b>	<b>61 099</b>	54 152
	Carrying amount at the beginning of the period	<b>54 152</b>	43 041
	Current service costs	<b>61 099</b>	86 466
	Less: benefits utilised	<b>(54 152)</b>	(75 355)
		<b>290 682</b>	206 985

21 Finance lease liability	2021 R'000	2020 R'000
	<b>Notes</b>	
Current obligation	<b>918</b>	3 087
Non-current obligation	<b>554</b>	496
<i>Carrying amount at the end</i>	<b>1 472</b>	3 583
Reconciliation of the carrying amount:		
Future minimum lease payments due:	<b>1 658</b>	3 905
Later than 1 year but less than 5 years	<b>683</b>	616
Less than 1 year	<b>975</b>	3 288
Less: Future finance charges	<b>(186)</b>	(322)
Present value of minimum lease payments	<b>1 472</b>	3 583

The finance lease obligations consist of various leases. The incremental borrowing rate (effective interest) was determined based on the difference between the fair value of the asset and the future minimum lease payments. Where the fair value of the asset could not be determined, the incremental rate was based on the rate of similar instruments in the market and the fair value is assumed to estimate the present value of the minimum lease payments. The effective interest rates vary between 7% and 15%. The liability is secured by the leased assets disclosed in note 17.

<b>22</b>	<b>Financial liabilities: Income received in advance</b>	<b>2021</b>	2020
		<b>R'000</b>	R'000
	<b>Notes</b>		
	<b>Non-current obligation</b>		
	Gross amounts due to customers: <b>Income received in advance</b>	<b>3 318 518</b>	2 559 765
<b>23</b>	<b>Financial liabilities: TCTA</b>	<b>2021</b>	2020
		<b>R'000</b>	R'000
	<b>Notes</b>		
	<b>Current obligation</b>	<b>1 020 749</b>	957 811
	<b>Non-current obligation</b>	<b>13 816 728</b>	17 842 035
	<i>Reconciliation</i>		
	Carrying amount at the beginning of the period	<b>18 799 846</b>	21 898 552
	<b>Additions</b>	<b>4 884 209</b>	5 154 482
	Construction cost	<b>1 033 457</b>	1 588 596
	Interest accrued	<b>2 101 044</b>	2 080 055
	Administrative costs & LHWP Royalties: TCTA	<b>1 749 708</b>	1 485 831
	Payments specifically allocated to liability	<b>(10 875 957)</b>	(7 941 494)
	Other Movements	<b>2 029 379</b>	(311 694)
	<b>Financial liabilities at amortised cost</b>	<b>14 837 477</b>	18 799 846

The liability represents the amounts owed to TCTA in accordance with various construction contracts for the development and maintenance of infrastructure assets. The effective interest rate varies per agreement and range between 4.76% and 10% p.a.

<b>24 Net cash flows from operating activities</b>	<b>2021</b>	2020
	<b>R'000</b>	R'000
	<b>Notes</b>	
Surplus for the year	<b>5 689 280</b>	5 575 311
<b>Adjusted for non-cash items</b>	<b>3 693 773</b>	4 809 872
Employee benefits liability provisions	<b>290 681</b>	337 403
Depreciation, amortisation and impairment	<b>1 531 909</b>	1 730 636
Assets transferred at no cost	<b>(750)</b>	(252 160)
Impairment on financial assets at amortised cost	<b>675 526</b>	2 008 117
Interest accrued: TCTA	<b>761 058</b>	538 230
Administrative costs: TCTA	<b>433 948</b>	444 962
Loss on disposal of fixed assets	<b>1 400</b>	2 684
<b>Additional cash items</b>	<b>(206 984)</b>	(311 064)
Employee benefits utilised	<b>(206 984)</b>	(311 064)



<b>Operating cash flows before working capital changes</b>	<b>9 176 068</b>	10 074 119
<b>Working capital changes:</b>	<b>(2 542 336)</b>	(1 748 843)
Increase/ (increase) in receivables from exchange transactions	<b>(3 775 769)</b>	(2 045 832)
Increase/ (increase) in advances to public entities	<b>(476 286)</b>	(126 320)
Increase/ (increase) in inventories/Construction work in progress	<b>(48 651)</b>	(88 043)
Increase/ (decrease) in payables from exchange transactions	<b>999 617</b>	(107 030)
Increase/ in deferred revenue	<b>758 753</b>	618 382
Net cash from operating activities	<b>6 633 732</b>	8 325 276

25 Budget information	2021 R'000	2020 R'000
<b>Notes</b>		
<b>Reconciliation between budget deficit and statement of financial performance</b>		
Budget surplus (deficit)	<b>5 481 164</b>	6 219 121
Project expenditure	<b>(827 158)</b>	(855 315)
Surplus/ (deficit) for the year per statement of financial performance	<b>4 654 006</b>	5 363 806

#### 25.1 BASIS OF PREPARATION OF BUDGET COMPARISON STATEMENT

The Basis of preparation of the budget during 2020/21 financial year is not the same with preparation of the statement of financial performance. The project expenditure of R827 million funded from augmentation fund, Rehabilitation and Refurbishment and Rehabilitation of Conveyance System are reported on the Statement of Financial Position.

The WTE does not budget for non-cash items which are impairment of financial assets, finance cost on amortized payables (present value of the future finance cost derived from the TCTA finance models) nor depreciation. The final budget has therefore been revised to account for these items.

#### 25.2 REASON ON THE REVENUE VARIANCE

The unfavourable variance on revenue performance can be attributed to the impact of the lockdown that resulted in lower volumes than anticipated as well as yearend adjustments.

#### 25.3 REASON ON THE PROJECTS EXPENDITURE VARIANCE

The countrywide lockdown as a result of the COVID-19 Pandemic has resulted in delays in the appointment of service providers. The department could not finalise the appointment of service providers for maintenance of infrastructure.

26 Financial instruments		2021 R'000	2020 R'000
	<b>Notes</b>		
<b>Carrying amounts per category</b>			
The total carrying values of the various categories of financial assets and financial liabilities at the reporting date are as follows:			
<b>Financial assets at fair value</b>			
Cash and cash equivalents	12	1 403 143	1 063 048
Financial assets at amortised cost		9 812 377	6 712 134
Receivables from exchange transactions	13	9 812 377	6 712 134
<b>Total financial assets</b>		11 215 520	7 775 182
<b>Financial liabilities at amortised cost</b>			
Payables from exchange transactions	19	2 014 891	1 015 274
Other financial liabilities	23	14 837 477	18 799 846
<b>Total financial liabilities</b>		16 852 368	19 815 120
<b>Net losses included in the statement of financial performance on amortised receivables</b>		675 526	2 008 117

Exposure to continuously changing market conditions has highlighted the importance of financial risk management as an element of control for the WTE. The WTE finances its operations primarily from cash receipts from customers and augmentation income received from the government. There are primarily two financial risks that the WTE faces namely credit and interest rate risk.

**Interest rate risk exposure**

The WTE has an obligation to settle the cost incurred by TCTA for the construction of infrastructure on its behalf. Due to the long-term nature of these projects, the WTE is exposed to changes in the interest rates relating to these borrowings as the amounts to settle its obligation to the TCTA is dependent on the interest rates. The effective interest rate for the current period amounted to approximately 15.90% (2020: 23%). Finance leases are discounted at the interest rates implicit in the lease and do not expose the WTE to any further risk as the rates are fixed for the term of the lease. The short-term payables expose the WTE to a very limited risk of losses as a result of fluctuations in interest rates. The WTE endeavours to comply with the PFMA requirements to settle its debt within 30 days of receipt of an invoice.

**Credit risk exposure***Receivables and prepayments*

Potential areas of credit risk consist of trade accounts receivable and cash investments.

Accounts receivable consists mainly of government owned institutions and government owned entities.

The WTE monitors the ageing of debtors on an ongoing basis and engages their customers where there is an indication of possible problems with regard to recovery from customers. Provision is made for specific bad debts and at the end of the financial year management did not consider there to be any material credit risk exposure that was not already covered by the impairment provision.

**Cash and cash equivalents**

Cash investments are investments made by the entity with the South African Reserve Bank and credit risk is acceptably low. Short-term deposits are held in the Corporation for Public Deposits (CPD) as required by the Treasury Regulations.

	<b>2021</b>	2020
	<b>R'000</b>	R'000
	<b>Notes</b>	
<i>Maximum credit risk exposure</i>		
Cash and cash equivalents	<b>1 403 144</b>	1 063 048
Receivables	<b>9 812 377</b>	6 712 134
	<b>11 215 521</b>	7 775 182
% Of total financial assets	<b>100%</b>	100%

**Liquidity risk**

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

<b>Contractual maturities of non-derivative financial liabilities are:</b>	<b>2021</b>	2020
	<b>R'000</b>	R'000
	<b>Notes</b>	
Due within 30 days	<b>2 014 891</b>	1 225 118
Later than one month but not later than 12 months	<b>1 312 349</b>	1 167 883
Later than one year but not later than 5 years	<b>8 290 591</b>	10 771 694
Later than 5 years	<b>5 526 691</b>	7 180 798

The amounts to be paid within 30 days relate mainly to trade and other payables. Amounts due after 30 days include payments due to TCTA that are measured at amortised cost. These payments may vary for certain projects as they are based on actual water sales and are subject to change due to changes in the interest rates. TCTA has various loans with commercial banks that exposes the WTE to liquidity risk.

<b>27</b>	<b>Related party transactions</b>	<b>2021</b>	2020
		<b>R'000</b>	R'000

#### **27.1 Related party relationships and control**

The WTE is controlled through the Department of Water & Sanitation at National Government level.

As a result of the constitutional independence of the three spheres of government in South Africa, only parties within the national sphere of government will be considered to be related parties.

Management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. Individuals on top management level and executive committee members are considered management.

## 27.2 Related party transactions and outstanding balances

27.2.1 **Department of Water & Sanitation**

Revenue from non-exchange transactions	<b>2 068 661</b>	2 058 292
--	------------------	-----------

The Water Trading Entity (WTE) operates within the Department and does not have its own Accounting Officer; its responsibilities are shared by different branches within the Department.

The Department of Water and Sanitation incurred some operating expenditure on behalf of the WTE which include, but is not limited to, rent for office space, internal audit cost, IT cost and other administrative costs (including cost related to the business restructuring process). A reliable estimate cannot be made for these services rendered.

27.2.2 **Water Research Commission**

WRL payment	<b>130 093</b>	117 364
-------------	----------------	---------

Water Research Commission and WTE both report to the Minister of Water and Sanitation. WTE performs the billing and collection of revenue on behalf of Water Research Commission (i.e. Agent-Principal Relationship).

27.2.3 **Trans-Caledon Tunnel Authority (TCTA)**

The following transactions were carried out with TCTA:

Construction activities

**1 033 457**

1 588 596

Finance cost	<b>2 101 044</b>	2 080 055
--------------	------------------	-----------

Administrative costs & LHWP Royalties: TCTA	<b>1 749 708</b>	1 485 831
---	------------------	-----------

Outstanding balances - amount due to TCTA	<b>14 837 477</b>	18 799 846
---	-------------------	------------

TCTA is constructing assets on behalf of the WTE on a full cost recovery basis.

27.2.4 **Eskom**

The following disclosable items were carried out with Eskom:

Revenue from exchange transactions	<b>1 708 562</b>	1 782 646
Outstanding balances - receivables from exchange transactions	<b>557 469</b>	569 570
Payment of electricity	<b>640 452</b>	411 897
Outstanding balances - payables from exchange transactions	<b>36 532</b>	39 056

The amounts billed for the above revenue received from Eskom is based on the actual operations and maintenance cost incurred and not the budgeted operations and maintenance cost included in the water tariffs applicable to other users.

Eskom receives 60 days to pay for water related services instead of the normal 30 days. WTE pays Eskom for pumping costs relating to water within 15 days.

27.2.5 **Rand Water**

<b>2021</b>	2020
<b>R'000</b>	R'000

The following disclosable items were carried out with Rand Water:

Sale of water services		
Revenue from exchange transactions	<b>5 903 469</b>	5 848 885
Finance revenue (discounting)	<b>(36 374)</b>	49 563
Gross amount billed		
<b>5 867 095</b>		
5 898 449		
Outstanding balances - receivables from exchange transactions	<b>1 181 594</b>	1 089 491
Gross amount due	<b>1 188 920</b>	1 098 723
Less: Effect of discounting	<b>(7 326)</b>	(9 232)

Rand Water (a Water Board) and WTE both report to the Minister of Water and Sanitation. Rand Water receives 60 days to pay for water related services instead of the normal 30 days.



**27.2.6 Inkomati Catchment Management Agency**

The following arm's length disclosable items were carried out with Inkomati Catchment Management Agency:

Inkomati Usuthu CMA: amount paid for the period	<b>84 375</b>	80 357
---	---------------	--------

Inkomati Usuthu Catchment Management Agency and WTE both report to the Minister of Water and Sanitation. Inkomati Usuthu CMA was established as a vehicle to manage Water Resources at the Catchment level with the involvement of all stakeholders within the management area and in turn the Department through WTE augment their budget to cover their operational costs.

**27.2.7 Breede-Gouritz Catchment Management Agency (BGCMA)**

The following arm's length disclosable items were carried out with Breede-Gouritz Catchment Management Agency (BGCMA)

Breede-Gouritz CMA: amount paid for the period	<b>38 690</b>	44 848
--	---------------	--------

Breede Gouritz Catchment Management Agency and WTE both report to the Minister of Water and Sanitation. Breede Gouritz CMA was established as a vehicle to manage Water Resources at the Catchment level with the involvement of all stakeholders within the management area and in turn the Department through WTE augment their budget to cover their operational costs.

**27.2.8 Entities under control of the Minister of Water and Sanitation**

The following Water Boards and Agencies are under the common control of the Minister of Water and Sanitation. WTE bills the Water Boards under arm's length transactions in order to recover water infrastructure related charges. The following items were carried out with these entities:

Entity Name	Revenue from exchange transactions		Outstanding balances - receivables from exchange transactions		Payments made by WTE to the entity		Outstanding balances - payables from exchange transactions	
	2021	2020	2021	2020	2021	2020	2021	2020
Amatola & Albany Coast Water Board				<b>94 639</b>	<b>13 746</b>	14 129	<b>2 456</b>	-
				56 265				
				-				
				145 995				
Bloem Water Board	<b>31 244</b>	30 429	-	49 461	<b>458</b>	634	-	39
Mhlathuze Water Board	<b>74 691</b>	62 765	<b>100 914</b>	71 668	<b>78 608</b>	89 237	<b>3 823</b>	-
Overberg Water Board	<b>459</b>	418	<b>51</b>	327	-	-	-	-
Sedibeng Water Board	<b>372 933</b>	367 350	<b>4 177 075</b>	3 527 839	-	-	-	5 112
Lepelle Northern Water Board**	<b>50 297</b>	54 607	<b>333 058</b>	7 428 187	-	4 794	-	22 927
Magalies Water	<b>79 279</b>	78 274	<b>118 298</b>	159 239	-	-	-	-
Umgeni Water Board	<b>1 037 165</b>	884 076	<b>191 090</b>	179 392	<b>4 303</b>	4 145	<b>500</b>	-
Uthukela Water	<b>40 581</b>	36 086	<b>391 580</b>	341 151	-	-	-	-

\*\*The above project payment costs to Lepelle Northern Water Board include amounts paid for Mopani Municipality emergency project: Bambanana Bulk Pipeline project; raising of Nwamitwa dam and raising of Tzaneen dam.

**27.2.9 Komati Basin Water Authority (KOBWA)** - Is managed by the treaty between the South African Government and the eSwatini Government. The treaty resulted in KOBWA constructing Maguga and Driekoppies Dam. WTE has the right of use of water supply from Driekoppies dam.

**Water User Associations (WUAs)** - There are 222 WUAs under the common control of the Minister of Water and Sanitation. WTE bills the WUAs under arms' length transactions in order to recover water infrastructure related charges.

**28 Key management personnel remuneration**

Management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. Individuals on top management level and executive committee members are considered management.

<b>31 Mar 2021</b>	<b>Basic salary</b>	<b>Termination Benefits</b>	<b>Other short term employee benefits</b>	<b>Total</b>
<b>R'000</b>				
Ms Mathe ZY - Deputy Director General	<b>941</b>	-	<b>505</b>	<b>1 568</b>
Mr Swart HJ-Construction Manager	<b>1 039</b>	<b>2 891</b>	<b>312</b>	<b>4 377</b>
Arumugam S - Chief Director	<b>876</b>	-	<b>269</b>	<b>1 258</b>
Mr Manus LAV - Chief Director	<b>809</b>	-	<b>482</b>	<b>1 396</b>
Mr Nel P - Chief Director	<b>902</b>	-	<b>270</b>	<b>1 289</b>
Ms Mkhabela GV - Chief Director	<b>77</b>	<b>53</b>	<b>23</b>	<b>163</b>
	<b>4 643</b>	<b>2 944</b>	<b>1 861</b>	<b>10 051</b>

31 Mar 2021	Basic salary	Termination Benefits	Other short term employee benefits	Post-employment benefits	Total
R'000					
Ms Mathe ZY - Deputy Director General	966	-	519	126	1 611
Mr Swart HJ-Construction Manager	1 394	-	464	181	2 039
Arumugam S - Chief Director	876	-	321	114	1 311
Mr Manus LAV - Chief Director	820	-	549	107	1 475
Mr Nel P - Chief Director	902	-	303	117	1 322
Ms Mkhabela GV - Chief Director	942	-	288	123	1 353
	<b>5 901</b>	<b>-</b>	<b>2 444</b>	<b>767</b>	<b>9 112</b>

**Key management personnel remunerated through Department of Water & Sanitation - Main account**

The following officials are also considered to be key management personnel. These officials are paid by the Department of Water & Sanitation - Main account.

<b>Official</b>	<b>Position</b>
Mr M Tshangana	Acting Director General
Mr Frans Moatshe	Acting Chief Financial Officer
Mr Thabiso Toka	Acting Chief Director

The following key management personnel officials have terminated their services in the previous financial year that ended 31 March 2020.

**Official**

Ms Mkhabela GV  
Mr Swart HJ

29	<b>Capital commitments</b>	<b>2021</b>	2020
		<b>R'000</b>	R'000
	Capital commitments (Including TCTA)	<b>1 525 760</b>	1 546 233
	Operational commitments	<b>166 062</b>	349 781
	Commitments for the acquisition of property, plant and equipment that is contracted for but not provided for in the financial statements.	<b>1 691 822</b>	1 896 013

**Commitments per category:****Operational and Capital commitments**

Inventory Commitments	<b>2 563</b>	1 545
Other Operating Commitments	<b>163 499</b>	348 236
<b>Total</b>	<b>166 062</b>	349 781

**Capital Commitments**

PPE: Assets Under Construction	<b>627 561</b>	485 017
PPE: Computer Equipment's	<b>5 147</b>	1 418
PPE: Equipment	<b>26 377</b>	2 554
PPE: Furniture	<b>883</b>	128
PPE: Infrastructure Assets (including TCTA)	<b>865 793</b>	1 057 115
	<b>1 525 760</b>	1 546 233
<b>Grand total</b>	<b>1 691 822</b>	1 896 013

The amounts disclosed above for capital commitments exclude VAT. These commitments excludes lease commitments

Commitment amount includes contracts of more than three years which work still to be done and the contract for spec, which was awarded by the court, the duration of this contract has been increased further by court with another 18 Months to end 31 December 2022.

<b>30</b>	<b>Operating lease commitments</b>	<b>2021</b>	2020
		<b>R'000</b>	R'000

The Water Trading Entity leases various residential buildings and office Spaces under operating lease agreements and instalments are payable monthly in advance. The instalments are payable over periods varying between 12 and 24 months. The entity is sub-letting these residential buildings to its various employees at a monthly rental.

The future minimum lease rentals to be paid under non-cancellable and cancellable operating lease contracts as at **31 March 2021** are as follows:

<b>Residential Buildings:</b>	<b>12 168</b>	3 923
Due within 1 year	<b>12 168</b>	3 923
<b>Total minimum lease payments</b>	<b>12 168</b>	3 923

31	<b>Contingent liabilities</b>	<b>2021</b>	2020
		R'000	R'000
<b>31.1</b>	<b>Claims against the State</b>		
	<b>Legal claims against the department of water &amp; sanitation.</b>		
<b>31.1.1</b>	JSW Electrical (Pty) Ltd vs. DWS and RBF Engineering (Pty) Ltd	1 006	1 006
<b>31.1.2</b>	Neethling N. O. and Others vs. Department of Water and Sanitation	16 647	16 647
<b>31.1.3</b>	Mogotleng Kgophane v DWS	1 000	1 000
<b>31.1.4</b>	Londiwe Nokuphiwa Ngcambu / DWS and Bicanon (Pty) Ltd	13 121	13 121
<b>31.1.5</b>	Roelof Jacobs vs DWS and Bloemwater	1 862	1 862
<b>31.1.6</b>	Seeletso v DWS	8 307	8 307
<b>31.1.7</b>	Old Mutual Insureobo of their client / DWS	223 647	223 647
<b>31.1.8</b>	Basfour 2944 (Pty) Ltd T/A Hamba Nathi Travel v DWS	1 722	1 722
<b>31.1.9</b>	A.J Lottering & DWA (Ref: Nc)	6 000	-
<b>31.1.10</b>	Showuso OBO of Johannes and others vs DWS	2 119	-
<b>31.1.11</b>	Geldenhuys J Mulder VS Minister of Water and Sanitation	1 100	-
<b>31.1.12</b>	Pengi Consulting engineers and Land Surveyor//DWS	15 000	-
<b>31.1.13</b>	Hilmer Kruger v DWS	4 705	4 705
<b>31.1.14</b>	Surface Preparations Equipment and Coatings Pty Ltd v DWS	130 000	-
<b>31.1.15</b>	Bigen Africa v DWS	5 926	
<b>31.1.16</b>	Other claims against the state	4 043	4 122
		436 206	276 140

Several companies have laid claims against WTE of which the outcome is still uncertain and the summary of nature of the above cases is as follows:

<b>31.1.1</b>	JSW Electrical (Pty) Ltd vs. DWS and RBF Engineering (Pty) Ltd where the Plaintiff sues both Defendants (RBF Engineering and the Department) for services rendered in terms of a contract for the supply, manufacture, delivery, installation, testing and commissioning by the Plaintiff and RBF of MV and LV Electrical installation for Tugela-Mhlathuze Emergency Transfer following a tender process. The matter pertains to 1998, the department is defending the matter. The instructions to the State Attorney sent on 18/12/2014 to advise whether the Department should bring an application for dismissal for the delay in prosecuting this matter and to have this matter finalized. The State Attorney advised that DWS should spend this matter until such time there is a reaction from the Plaintiff.
---------------	---

- 31.1.2** Neethling N. O. and Others vs Department of Water and Sanitation. The Department has been joined as 3rd Party. The claim relates to misrepresentation of water rights and the 1st & 2nd Respondents have conceded to the merits of the case. Matter postment for the settling of the quantum. Matter originated in 2013. The 1st & 2nd Defendants have conceded to the merits of the case and matter postponed sine die to determine quantum. The matter is set down for argument of the quantum from 11-15 September 2017 in the Kimberley High Court.
- 31.1.3** Mogotleng Kgophane v DWS Matter originated in 2016. Motor vehicle collision involving DWS employee. DWS is defending the matter, notice of intention to defend filed and consultation with Counsel, State Attorney and DWS officials confirmed for 6 April 2017 to prepare to draft our plea.
- 31.1.4** Lodiwe Nokuphiwa Ngcambu DWS/Bicanon (Pty) Ltd. The matter emanates from a contractual dispute between Bicanon (Pty) Ltd and Lodiwe Nokuphiwa Ngcambu for the payment of invoices. The Department entered into a Contract with Bicanon to address shortcomings of water services and infrastructures in Nongoma am Msinga Districts of KwaZulu Natal. Bicanon then appointed Lodiwe nokuphiwa Ngcambu as sub- contractor to supply materials and to render services for the two Projects. The DWS has no Contract with Ms Ngcambu but since the two Projects were for the DWS then the DWS was dragged to these proceedings.
- 31.1.5** Old Mutual legal claim for damages due fire that started in Cypherfontein farm no (T74351/2007). The farm is owned by DWS and its situated west of the city of Port Elizabeth. The fire spread to several properties of their clients.
- 31.1.6** Seeletso vs DWS. The Plaintiff served the Department with summons claiming damages following cancellation of contract due to non-performance.
- 31.1.7** Old Mutual legal claim for damages due fire that started in Cypherfontein farm no (T74351/2007). The farm is owned by DWS and its situated west of the city of Port Elizabeth. The fire spread to several properties of their clients.
- 31.1.8** Basfour 2944 (Pty) Ltd T/A Hamba Nathi Travel claim for payment of invoices in respect of services allegedly rendered to the DWS by the plaintiff and the DWS is still investigating the matter.
- 31.1.9** The applicant was dismissed from as an employee of the Department. He took the matter to the Labour Court on the basis that he was unfairly dismissed as he was absent from work because of medical reason. The Department failed to reply within the specified time frame, as a result default judgement application has now been made against the department.
- 31.1.10** The applicant files an application at bargaining counsel seeking the DWS to compensate overtime during their employment period between February 2000 to May 2007. The employees are/were employed as water control officer at the department.
- 31.1.11** The plaintiff claims a compensation as a result of injuries sustained on 08 March 2012. The minor child was utilising the play facilities at Waterwese Kamp, Levubu which is the property belonging to the Minister/DWS.
- 31.1.12** The service provider issued summons against the Department claiming the amount emanating from an alleged contractual agreement with the Department.
- 31.1.13** The Minister expropriated land belonging to the Applicant. The applicant instituted legal proceedings against the department for compensation of the expropriation plus interest.



- 31.1.14** Urgent application was granted against the department to comply with the settlement agreement (court order) of 2017 and issue RFQ and purchase orders to the applicant. The Department has file a notice to oppose the court order settlement.
- 31.1.15** The applicant has a contract with the Department for the construction monitoring works and defects liability. The applicant submitted invoices for the work done and the department is requesting the proof for work done.
- 31.1.16** Other claims against the state - WTE is the defendant to various small claims below an amount of R1 million each instituted by various companies.
- Should the WTE not be successful in defending the above cases, the maximum financial exposure amounts to R436.206 million excluding interest of approximately R30.534 million at current lending rate of 7.00%.

<b>32</b>	<b>Contingent assets</b>	<b>2021</b>	2020
		R'000	R'000
	<b>Legal claims and possible receivables</b>		
<b>32.1</b>	Department of Water vs. T-Systems South Africa (Pty) Ltd and Mr. Bokhutlo Senokwane	<b>2 843</b>	2 843
<b>32.2</b>	Department of Water and Sanitation vs. Metrics Industrial Supplies CC	<b>30 000</b>	30 000
<b>32.3</b>	Department of Water and Sanitation vs. Martin Nero	<b>82</b>	336
		<b>32 925</b>	33 179

- 32.1** The WTE have legal claims against several companies of which the outcome is still uncertain:
- Department of Water vs. T- Systems South Africa (Pty) Ltd and Mr. Bokhutlo Senokwane - relates to fraud committed by Mr. Bokhutlo Senokwane against the Department whilst under the employment of DWS contractor (T-Systems (Pty) Ltd). The Department did not accept the settlement offered and has made a counter settlement.
- 32.2** DWS vs Metric Industrial Supplies cc. The department issued summons arising from fraudulent invoices in which the Defendant was paid money for services it did not render. Further consultation with Counsel will take place to amend the particulars of the claim.
- 32.3** DWS vs Martin Nero - The department has issued a letter of demand demanding an amount to be paid for petrol, toll gates and kilometres for the misuse of state vehicle.
- It is worthy of noting that the treaty between Governments of Lesotho and RSA states that in the event of adjustments to the minimum annual quantities of water specified in annexure 2 of the Treaty, the net benefit shall be recomputed. However, the minimum annual quantities of water have been adjusted to an amount other than that which is specified in Annexure 2 of the Treaty, and there was no re-computation of the net benefit, which is a base of determining the royalties amounts payable. As a result, there is a probable receivable emanating from a possible overpayment to date of the fixed portion of the royalties paid and payable by RSA to Lesotho.

33	Irregular expenditure		<b>2021</b>	2020
			<b>R'000</b>	R'000
33.1	Reconciliation			
	Opening balance		<b>7 729 033</b>	7 586 887
	As restated		<b>7 729 033</b>	7 586 887
	Add: Irregular expenditure - current year		<b>179 933</b>	142 146
	Add: Irregular expenditure - prior year		<b>62</b>	-
	Irregular expenditure awaiting condonation		<b>7 909 028</b>	7 729 033
	Analysis of expenditure awaiting condonation per age classification			
	Current year		<b>179 933</b>	142 146
	Prior years		<b>7 729 095</b>	7 586 887
	Total		<b>7 909 028</b>	7 729 033
33.2	Details of irregular expenditure	Disciplinary steps taken/ criminal proceedings		
	Incident			
	Services to support and maintain SAP ECC not procured through SITA	Under investigation	-	22 845
	Award of bid not in accordance with approved specification	Under investigation	-	71 042
	Contract awarded with no end date	Under investigation	-	11
	Bid evaluation not consistent with the approved evaluation criteria	Under investigation	-	3 353
	Procurement approved by person not having delegations to approve the deviations	Under investigation	-	21
	TCTA Procurement that did not follow the correct SCM process	Under investigation	<b>1 639</b>	1 505
	Contract varied by more than 20% without National Treasury pre-approval	Investigation to be conducted	<b>162 077</b>	43 089
	Procurement through a quotation which exceeded the quotation threshold of R500 000	Under investigation	-	210
	Payment related to purchase order issued after the contract expired and work was completed after the expiry of the contract without proper extension authorised.	Disciplinary action to be taken	<b>16 217</b>	-
	Not Annexure B of Finance Circular 1 of 2015 - Payment made through sundry	Under investigation	-	70
			<b>179 933</b>	142 146

The irregular expenditure amount was adjusted with prior year expenditure incurred in 2017/2018 of payments made through sundry.

Included on the irregular expenditure above is an amount of R130m (VAT excluded) emanating from overpayments made to service provider on infrastructure project, thus they may be no value for money received by the Water Trading Entity emanating from this overpayment.

<b>34</b>	Fruitless and wasteful expenditure	<b>2021</b>	2020
		<b>R'000</b>	R'000
	<b>Reconciliation</b>		
	Opening balance	<b>65 577</b>	1 716 326
	As restated	<b>65 577</b>	1 716 326
	Add: Fruitless and wasteful expenditure - current year	<b>157 592</b>	352 655
	Add: Fruitless and wasteful expenditure - prior year	-	(1 053 300)
	Less: Condoned or written off by relevant authority	-	(950 104)
	Fruitless and wasteful expenditure closing balance	<b>223 169</b>	65 577

Details of irregular expenditure	Disciplinary steps taken / criminal proceedings		
Losses incurred relating to external projects	Transaction under investigation	<b>78 908</b>	195 815
Abnormal costs incurred relating to internal projects	Transaction under investigation	<b>51 766</b>	92 913
Interest expenditure incurred on overdue accounts paid to Eskom, municipalities, etc.	Transaction under investigation	<b>303</b>	248
Interest expenditure incurred on the expropriation of land	Transaction under investigation	<b>25 181</b>	19 423
Interest expenditure incurred on overdue accounts paid to banks for petrol cards	Transaction under investigation	<b>51</b>	34
Interest expenditure incurred on pension pay out	Transaction under investigation	<b>36</b>	1
Mopani emergency project	Transaction to be investigated	<b>1 322</b>	16 892
Interest expenditure incurred on overdue accounts paid to Professional Service Providers (PSP)	Transaction to be investigated	<b>25</b>	134
Hazelmere project - standing time	Transaction to be investigated	-	27 195
		<b>157 592</b>	<b>352 655</b>

The interest expenditure incurred on overdue accounts to Eskom is under deliberation and the Department has engaged with Eskom to reverse the interest charged where the Department has paid within 15 days of receipt of Eskom invoices.



Private Bag X313  
Pretoria, 0001  
South Africa

Tel: +2712 336 7500  
Fax: +2712 336 8664

This Annual Report can be obtained from  
[www.dws.gov.za](http://www.dws.gov.za)



**water & sanitation**

Department:  
Water and Sanitation  
REPUBLIC OF SOUTH AFRICA

