



ANNUAL REPORT
2014/2015

Together, Moving Gauteng City Region Forward



GAUTENG PROVINCE
ROADS AND TRANSPORT
REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT 2015

Contents

PART A:	GENERAL INFORMATION	7
1.1.	DEPARTMENT GENERAL INFORMATION	8
1.2.	LIST OF ABBREVIATIONS/ACRONYMS	9
1.3.	FOREWORD BY THE MEC	11
1.4.	REPORT OF THE ACCOUNTING OFFICER.....	13
1.5.	STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT	27
1.6.	STRATEGIC OVERVIEW	28
1.7.	LEGISLATIVE AND OTHER MANDATES	29
1.8.	ORGANISATIONAL STRUCTURE	30
1.9.	ENTITIES REPORTING TO THE MEC	31
PART B:	PERFORMANCE INFORMATION	35
2.1.	AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES	36
2.2.	OVERVIEW OF DEPARTMENTAL PERFORMANCE	37
2.3.	STRATEGIC OUTCOME ORIENTED GOALS.....	50
2.4.	PERFORMANCE INFORMATION BY PROGRAMME	52
2.5.	TRANSFER PAYMENTS	92
2.6.	CONDITIONAL GRANTS	93
2.7.	CAPITAL INVESTMENTS	95
PART C:	GOVERNANCE	99
3.1.	INTRODUCTION	100
3.2.	RISK MANAGEMENT	100
3.3.	FRAUD PREVENTION PLAN	101
3.4.	MINIMISING CONFLICT OF INTEREST	102
3.5.	CODE OF CONDUCT	103
3.6.	HEALTH SAFETY AND ENVIRONMENTAL ISSUES FOR 2014/15	103
3.7.	PORTFOLIO COMMITTEES	104
3.8.	SCOPA RESOLUTIONS FOR 2014/15 FINANCIAL YEAR.....	111
3.9.	INTERNAL AUDIT AND AUDIT COMMITTEES	113
3.10.	AUDIT COMMITTEE REPORT	115

PART D:	HUMAN RESOURCE MANAGEMENT.....	119
4.1.	INTRODUCTION	120
4.2.	OVERVIEW OF HUMAN RESOURCES	120
4.3.	HUMAN RESOURCE OVERSIGHT STATISTICS	123

PART E:	FINANCIAL INFORMATION.....	159
	REPORT OF THE AUDITOR-GENERAL	162
	APPROPRIATION STATEMENT	168
	NOTES TO THE APPROPRIATION STATEMENT	196
	STATEMENT OF FINANCIAL PERFORMANCE	200
	STATEMENT OF FINANCIAL POSITION	201
	CASH FLOW STATEMENT	202
	NOTES TO THE ANNUAL FINANCIAL STATEMENTS.....	208
	ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS.....	232

G-FLEET MANAGEMENT.....247

PART A:	GENERAL INFORMATION.....	251
----------------	---------------------------------	------------

PART B:	PERFORMANCE INFORMATION	267
----------------	--------------------------------------	------------

PART C:	GOVERNANCE	291
----------------	-------------------------	------------

PART D:	HUMAN RESOURCE MANAGEMENT.....	305
----------------	---------------------------------------	------------

PART E:	FINANCIAL INFORMATION.....	319
----------------	-----------------------------------	------------



Part

A

General Information

1.1. DEPARTMENT GENERAL INFORMATION

NAME OF DEPARTMENT:	ROADS AND TRANSPORT
PHYSICAL ADDRESS:	41 Simmonds Street Johannesburg 2000
POSTAL ADDRESS:	Private Bag X83 Marshalltown 2107
TELEPHONE NUMBER/S:	+27 11 355 7000
FAX NUMBER:	+27 11 355 7305
EMAIL ADDRESS:	CommunicationsGPDRT@gauteng.gov.za
WEBSITE ADDRESS:	www.roadsandtransport.gpg.gov.za
TWITTER:	https://twitter.com/GPDRT
FACEBOOK:	www.facebook.com/TransportGP
INSTAGRAM:	instagram.com/GPDRT

1.2. LIST OF ABBREVIATIONS/ACRONYMS

ABET	Adult Basic Education and Training
AG	Auditor-General
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
BRT	Bus Rapid Transit
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CoJ	City of Johannesburg
CoT	City of Tshwane
CS	Corporate Support
CLLT	Computerised Learners Licenses Test
CSIR	Council for Scientific and Industrial Research
DDG	Deputy Director-General
DEA	Department of Environmental Affairs
DLTCs	Drivers Learners Testing Centres
DoH	Department of Health
DORA	Division of Revenue Act
DPSA	Department of Public Services and Administration
EIA	Environmental Impact Assessment
ECSA	Engineering Council of South Africa
e-NaTIS	electronic National Traffic Information System
EPWP	Expanded Public Works Programme
EXCO	Executive Council
FIS	Fleet Information System
GCRA	Gauteng City Region Academy
GDE	Gauteng Department of Education
GDRT	Gauteng Department of Roads and Transport
GIAMA	Government Immovable Asset Management Act
GFIP	Gauteng Framework for Infrastructure Planning
GPG	Gauteng Provincial Government
GTIA	Gauteng Transport Infrastructure Act
GTIP5	5 Year Gauteng Transport Integrated Plan
HAST	HIV, AIDS, STIs and Tuberculosis
HCT	HIV Counselling and Testing
HDI	Historically Disadvantaged Individuals
HIV/AIDS	Human Immune Deficiency Virus /Acquired Immune Deficiency Syndrome
HOD	Head of Department
HR	Human Resource
ICT	Information and Communication Technology
IFM	Integrated Fare Management
IGR	Intergovernmental Relations
IPTN	Integrated Public Transport Network
IRPTN	Integrated Rapid Public Transport Network
ISO	International Standards Organisation
IT	Information Technology
ITMP25	25 Year Integrated Transport Master Plan
ITP	Integrated Transport Plans

LTPS	Land Transport Permit System
MEC	Member of the Executive Council
MMC	Member of the Mayoral Committee
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MVRA	Motor Vehicle Registration Authority
NDOT	National Department of Transport
NDP	National Development Plan
NLTA	National Land Transport Act
NLTIS	National Land Transport Information System
NMT	Non-Motorised Transport
NRTA	National Road Traffic Act
NYS	National Youth Service
OHS	Occupational Health and Safety Act
OLAS	Operating License Administration System
ORTIA	O.R. Tambo International Airport
PDI	Previously Disadvantaged Individuals
PDLTCs	Provincial Driver Learner Testing Centres
PERSAL	Personnel Salaries
PFMA	Public Finance Management Act
PLATO	South African Council for Professional and Technical Surveyors
PMDS	Performance Management Development System
PRASA	Public Rail Association of South Africa
RAMS	Road Asset Management System
RISFSA	Road Infrastructure Strategic Framework of South Africa
RMPTS	Road Maintenance Professional Teams
SACPLAN	South African Council for Planners
SACPCMP	South African Council for Project and Construction Management Professions
SACQSP	South African Council for the Quantity Surveying Profession
SAICB	South African Insurance Crime Bureau
SANRAL	South African National Roads Agency Limited
SCM	Supply Chain Management
SLA	Service Level Agreement
SMF	Supervisory Monitoring Firms
SMS	Senior Management System
SRN	Strategic Road Network
SPTN	Strategic Public Transport Network
TDM	Transportation Demand Management
TETA	Transport Education Training Authority
TOLAB	Transport Operating License Administrative Body
ToR	Terms of References
TRP	Taxi Recapitalisation Project
UATP	African Association of Public Transport
U-AMP	User Asset Management Plan
VTC	Vehicle Testing Centres

1.3. FOREWORD BY THE MEC



Dr. Ismail Vadi

This Annual Report provides a snapshot of the accomplishments, challenges and activities of the Gauteng Department of Roads and Transport for the 2014/15 financial year.

It communicates to the public how we have spent the budget allocated to us based on predetermined goals, targets and programmes. It gives us the opportunity to account transparently to the residents of Gauteng on the scope, level and quality of our service delivery.

Gauteng produces 35 percent of the Gross Domestic Product (GDP) of South Africa. It is imperative that this centrality of our province to the national economy be supported by an integrated and efficient public transport system and a well-maintained and expanding road network.

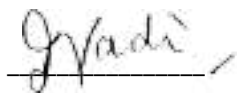
The Report demonstrates that the Department's 25-year Integrated Transport Master Plan (ITMP25) provides a sense of predictability and certainty from a transport planning perspective. It indicates what our future public transport and road network needs are to stimulate economic growth; meet the ever increasing demands of a growing population; increase the number of jobs created and to reduce traffic congestion. It reports on the progress the Department and local government authorities have made in building the public transport system through bus rapid transit services and the expansion of the rail network.

The Report also highlights the challenges that we face as government in meeting the increased demands for services from our people and the inadequacy of our financial resources to adequately meet such demands, particularly including transport.

Increasingly, the Department must prioritise its work and programmes to ensure that funds allocated are well spent. It is evident that we will have to spend a larger part of our roads budget on road maintenance and rehabilitation. This will ensure that our road assets are maintained according to best international practice and standards of safety and ease of mobility. At the same time, we should find innovative, private sector financing models to build new roads and freeways so that we can expand our road network and meet the growing transport needs of our people and the economy. Above all, the financing options chosen would need stakeholder buy-in across a wide spectrum.

The Department is building its human resource capacity; putting greater integrity into its supply chain management and other institutionalised frontline services such as taxi licensing and Driver License Testing Centres; building and strengthening its stakeholder partnerships to achieve greater synergies; embracing innovation and modernisation to improve customer services; and above all, building a culture of performance excellence at the level of leadership and management.

This Annual Report reflects that the Department is on a winning path by delivering on its commitments and dealing forthrightly with its challenges, whether these are staff performance or service delivery gaps.

A handwritten signature in dark ink, appearing to read 'I. Vadi', is written over a horizontal line.

Dr. I. Vadi

MEC of the Department of Roads and Transport

Date: 31 May 2015

1.4. REPORT OF THE ACCOUNTING OFFICER



Mr. Ronald Swartz
Head of Department

OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT

The 2014/15 financial year was a significant year for Government as it ushered in the 5th democratic term of office. The new Medium Term Strategic Framework (MTSF) policy document outlined the national outcomes and priorities for the next five years. The Gauteng Provincial Government unveiled its 10 Pillar programme with Transformation, Modernisation and Reindustrialisation at its core.

In light of the national and provincial policy pronouncements the Department of Roads and Transport worked to ensure that its five year strategic plan was aligned to the national and provincial priorities emphasising the department's commitment towards ensuring a modern, integrated roads and transport system for the people of Gauteng. It also promotes socio-economic development as a means to improve the lives of people in Gauteng.

The commencement of the implementation of the 5 year Strategic Plan (2014-19) and the 2014/15 Annual Performance Plan yielded various successes for the department.

The **strategic transport infrastructures** completed during the financial year were designed to facilitate the mobility of people and goods for socio-economic purposes. In each of these infrastructure projects we are able to establish the positive impact our projects had and continue to have on these communities.

The following six multiyear road construction projects completed, have all contributed in improving the daily lives of people in Gauteng:

The **K46 Phase 1 (William Nicol)**, upgraded from a single to a dual carriageway including 1,5m cycle lanes and 1,5m pedestrian sidewalks, promoting the concept of non-motorised transport, was completed in partnership between the Gauteng Provincial Government (Department of Roads and Transport) and the private sector (Steyn City). This project is a very good example of what can be achieved when the state and the private sector agree to deliver key infrastructure from which both will benefit.

The **K14 (Cullinan)** road dualising upgrade has increased capacity, safety and accessibility to Cullinan which is a tourism and mining town. The **D1726 (Tarlton road)** was rehabilitated to provide an important North / South link between the P16-1 (R24) Tarlton side and Randfontein. The **(R82 Phase 1 B)** upgrading has led to an increase in interest in upmarket residential developments, such as the "Eye of Africa Golf Estate" and the building of a new shopping mall, "the Mall of the South" – said to become the new landmark of the Southern corridor.

The rehabilitation of road **P39/1** which commenced at the Iscor bridge and ended at 4km on the K71 intersection at 7,60km (Laudium) is an alternative North/South carriageway between Pretoria industrial and greater Johannesburg, to the already overloaded N14/N1 freeway.

The rehabilitated P70-1 from Main Road **P71-1** Eastbound towards Rivonia road for 3.05km has ensured that motorists using this road receive the benefit of reduce travelling distances and a much safer travelling environment than previously experienced.

One of the department's key flagship programme of the 25 year Integrated Transport Master Plan is the promotion of Non-Motorised Transport. In the implementation of this strategy the department successfully constructed 4 km of walkways and cycle lanes on the Lillian Ngoyi, Dube Street and Currie Boulevard, in Bophelong. This project sees the ongoing commitment of the department in the deployment of Non-Motorised Transport facilities in the province and the promotion of green transport facilities that seek to reduce carbon emissions.

Continuous Improvement

As part of its ongoing performance improvement strategy, several initiatives have been undertaken to improve service delivery. This means developing and implementing best practices that would add value to the efficiency of our systems, resources and processes, thereby improving our performance as a Department.

A significant achievement of the financial year has been the improvement in **paying departmental suppliers within 30 days**. The department surpassed its previous year target of 87% and achieved a 96% compliance rate with Treasury regulations. It has been an important objective of the department to ensure that it supports local service providers so that they can succeed in the current economic conditions.

The development of the **Enterprise Programme Monitoring (EPM) system** is an automated Project Management system based on Prince 2 principles. This automated project management and reporting tool will be fully functional during the 2015/16 financial year and will provide a structured project management process for the planning, execution, and management of projects. Further, it will provide up to date performance information thereby providing a platform for key interventions and policy decisions.

The Provincial Government's establishment of the Ntirhisano Service Delivery Rapid Response System **(the GPG Service Delivery War Room)** aims to institutionalise the Provincial Government's rapid response to community concerns as well as proactive engagement with communities. Aligned to the provincial War Room, the GDRT's War Room's objective is to become a Rapid Response service delivery strategy. The planning phase has commenced and an operational War Room is envisaged in the 2015/16 financial year.

Challenges

The shortage of technical skills in respect of qualified and ECSA-registered Engineers in the department has also hampered its ability to effectively plan, implement and manage infrastructure projects. This is a nation-wide problem. One of the ways in which the department is addressing this issue as its long term strategy, is through bursary programme. Bursaries have been prioritised to students that are studying in the engineering and transport fields.

The continued violence in the taxi industry has also impacted negatively on the public transport services industry. Strategies to assist and improve the regulatory environment of public transport are being developed to address this issue. This will include the setting up of a central co-ordinating structure, including law enforcement agencies, to monitor and launch interventions to reduce conflict in the taxi industry. This structure will also tackle aggressively all forms of fraud and corruption in the administration and issuing of operating licences. The department has also continued to engage the taxi industry through registered associations to address conflicts and training is being offered through partnerships with the Sector Education and Training Agencies to improve customer services.

Significant events and projects for the year

The table below outlines the significant events that the department engaged in during the financial year under review.

Date	Event	Summary
13 th to 17 th April 2014.	Department hosted the Transport Authority of Dakar from Katanga.	Member of Executive Council (MEC) for Roads and Transport in the province hosted the Katanga delegation. The outcome of the official engagement was the exchange of information on urban transport authorities, BRTs and rail management. The meeting also provided a better understanding of transport planning in Dakar, Senegal and lessons for the Gauteng Transport Commission.
21 st August 2014.	The Rehabilitation of Road P186/1 (N12) Sod turning .	The Rehabilitation of approximately 9.54km on the Road P186/1 (N12) Sod turning event was held to mark the commencement of the rehabilitation of this road. The project is located south of Johannesburg, between the N1 and road P3/6. Road P186/1 provides a link between Gauteng and North West Province. It also serves as a major collector/distributor for the urban areas along the route and southwest of Johannesburg. This project is in contribution to the department's outcome orientated goal of Strategic economic transport infrastructure that stimulate socio-economic growth.

Date	Event	Summary
August 2014.	Rehabilitation of Road P3/6 (N12) – Sod turning.	The Department embarked on a project to rehabilitate the N12 starting where it splits with the N1 up to the border of Gauteng with North West Province. This is approximately 49.76Km of a mixture of single carriage way and double carriage way. The project will cover part of the road from Soweto to the North West border. Over the years the riding quality of the N12 had deteriorated. The timely intervention is aimed at keeping the road on good condition so that is able to support the surrounding industry and farming.
13 th -16 th October 2014.	The Association of African Public Transport (UATP) 2014 Congress.	The Association of African Public Transport (UATP) conference was held in Gauteng during the financial year under review. The Department partnered with the UATP to convene the conference which was well attended by international delegates, to share experiences and new ideas for improving the provision and management of public transport in Africa.
10 th November 2014.	Open tender official launch.	The Gauteng MEC for Finance and MEC for Roads and Transport officially launched the open tender process to curb corruption and promote the culture of openness to the public at the Gauteng Finance Department offices. Open Tender Process is further aimed at improving compliance with supply chain management regulations which are clearly spelled in the Public Finance Management Act (PFMA). The Department of Roads and Transport was selected for this pilot study as on average the department processes over 100 tender awards annually.
06 th February 2015.	Premier hosts e-toll stakeholder engagement meeting.	MEC for Roads and Transport headed the Integrated Transport Systems working group. Some of the suggestions that came out of this group included fast-tracking the integrated transportation system which would make public transport more accessible and encourage motorists to move from using privately owned vehicles to public transport. Furthermore, the MEC was encouraged to move road freight to rail in order to alleviate traffic congestion, lessen the maintenance of the road and to ultimately contribute to the decreased rate of e-toll fees.
22 nd March 2015.	3 rd Freedom Ride cycling.	The Gauteng Department of Roads and Transport (GDRT) together with the City of Johannesburg participated in the third Freedom Ride cycling event. This year, Freedom Ride took place between Alexandra and Sandton.

Date	Event	Summary
25 th March 2015	Ethics, Anti-Fraud and Corruption campaign launched	In a bid to create a corruption-free zone, the Gauteng Roads and Transport, Ethics, Anti-Fraud and Corruption campaign was launched. Themed "Together, Striving for a Fraud and Corruption Free Department of Roads and Transport", the campaign aimed to promote a culture of blowing the whistle amongst the communities and officials in dealings related to government.

OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

Over the past few years the department has had difficulty spending its budget, especially with regard to infrastructure projects. We have made several interventions in this regard, chief of which was closer monitoring of the project and expenditure flow and dealing with bottle-necks as soon as they appeared. The result was an overall improvement of at least 3% better expenditure than in the previous financial year. The new financial year will see renewed efforts to ensure that the department spends as close to 100% of its budget as possible.

One major challenge this past financial year was in the area of Compensation of employees, specifically our inability to fill all vacancies as soon as possible. Since most of our vacant posts require highly technical skills, our major difficulty was in attracting appropriately skilled staff. Part of the problem also lay in inefficient processes for the filling of posts, partly due to the administrative challenges of dealing with thousands of applications for certain positions, especially administrative posts. The inability to fill all the posts and the resultant savings that accrued there from, may prove to be a blessing in disguise, as the wage settlement between the state and public service unions has left the province with a deficit between what has been budgeted for and what needs to be implemented.

Also, the department will have to look very critically at the various vacancies and prioritise as to our most critical needs, while also ensuring that we are able to fulfil our mandate with the staff at our disposal.

OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

Departmental receipts

Departmental receipts	2014/15			2013/2014		
	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
Tax Receipts	2 743 798	2 949 662	(205 864)	2 542 908	2 644 875	-101 967
Casino taxes	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-
Motor vehicle licences	2 743 798	2 949 662	(205 864)	2 542 908	2 644 875	-101 967
Sale of goods and services other than capital assets	63 191	53 937	9 254	58 964	55 662	2 902
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	723	28	695	-	38	-38
Sale of capital assets	-	-	-	7 000	5 983	1 017
Financial transactions in assets and liabilities	4 838	2 236	2 602	1 684	886	798
Total	2 812 550	3 005 863	(193 313)	2 610 556	2 707 444	-96 888

The Department is the main contributor towards own revenue generated in GPG. This revenue is generated through tax receipts which are mainly made up of motor vehicle registration and licensing fees. The revenue collected over the past three financial years grew slightly. During the 2011/12 financial year, the tariffs were increased, and this has resulted in the Department collecting significantly more revenue over the years.

The Department derives its own revenue from tax receipts which comprise motor vehicle licenses; sales of goods and services other than capital assets; interest, dividends and rent on land; financial transactions in assets and liabilities and sales of capital assets. Motor vehicle licensing is by far the most important and productive source of revenue for the department. This department is the major contributor to the Provincial Revenue Fund (PRF) and as a result accounts for over half of GPG own revenue. In generating this revenue the department is also liable for direct charges: this includes amounts that are deducted from revenue collected to reimburse the primary collectors/agents of that revenue on behalf of the department.

Programme Expenditure

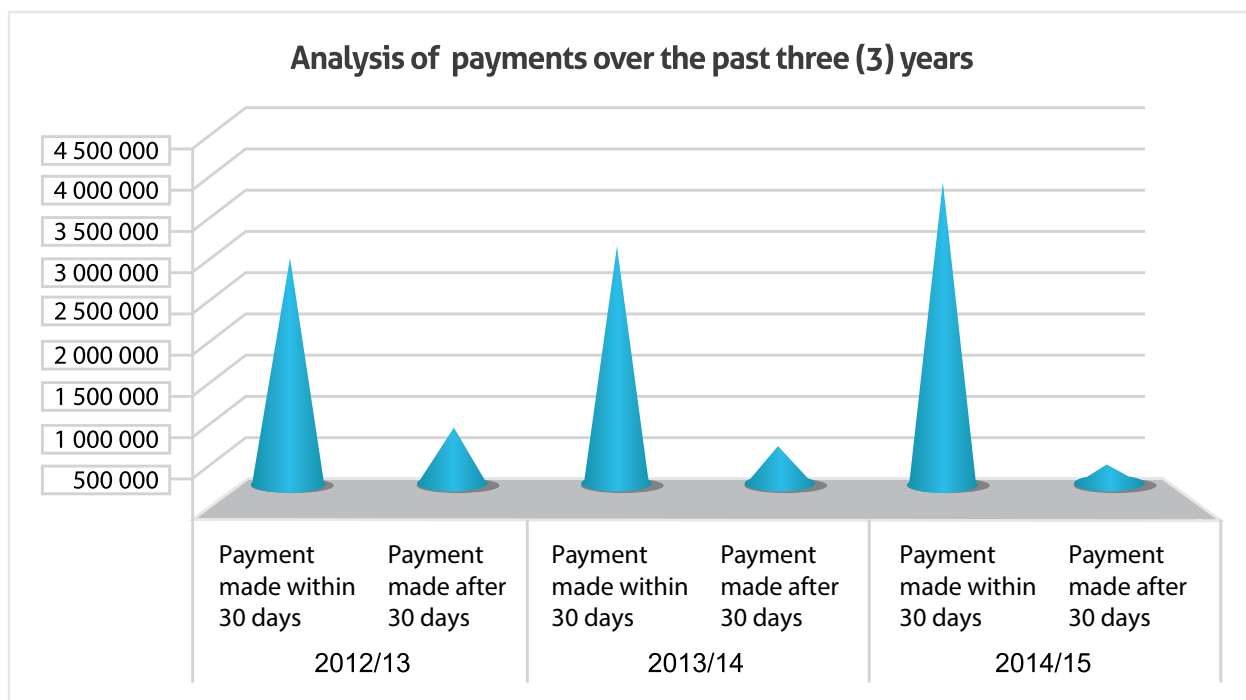
Programme Name	2014/15			2013/2014		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	293 352	271 460	21 892	226 453	197 786	28 667
Transport infrastructure	2 144 556	2 096 214	48 342	1 866 373	1 673 919	192 454
Transport operations	2 040 925	1 986 669	54 256	1 912 232	1 847 366	64 866
Transport regulation	242 835	205 993	36 842	241 486	222 160	19 326
Gautrain	1 311 748	1 311 748	-	1 424 943	1 424 943	-
TOTAL	6 033 416	5 872 084	161 332	5 671 487	5 366 174	305 313

The table above indicates expenditure outcomes as categorised by the departmental programmes. The Administration programme provides the department with overall management and administrative, strategic, financial and corporate support services in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner. The spending within that programme has increased from the 2013/14 to the 2014/15 financial year as a result of the additional resources that were allocated to the programme for the maintenance of the buildings. The Transport infrastructure programme includes the roads planning, design, construction and maintenance units of the Department. The Department has introduced measures to ensure that the infrastructure budget is fully spent accordingly, and this bore fruit in the 2014/15 financial year with the 99.95% of the allocation spent by the end of the financial year. The bus subsidies, which form part of the Transport Operations programme were under-spent during 2014/15 by R27 million. The Transport Regulation programme's under-spending is mainly as a result of compensation of employees item, which is for the salaries and related payments for staff members, while all the funds that were allocated for Gautrain were fully transferred by the Department.

• THREE YEARS PAYMENTS

The significant improvement on the turnaround time for paying service providers within thirty (30) days can be characterised as a demonstration of public service improvement, cooperation amongst the directorates, awareness of payment processes, sound budgeting and cash flow management. It is critical for all directorates to continue to prepare and submit their demand plans at the beginning of the financial year; success is a product of proper planning.

The below table depicts a graphical presentation and analysis of the payments compliance rate over the past three (3) years.



2012/13		2013/14		2014/15	
Payments made within 30 days	Payments made after 30 days	Payments made within 30 days	Payments made after 30 days	Payments made within 30 days	Payments made after 30 days
R'000					
2 970 074	683 442	3 173 546	481 992	4 138 230	184 758
81%	19%	87%	13%	96%	4%

Virements /roll overs

The Department has requested for shifts and virements within the allocation, and these were subsequently approved by the Provincial Treasury. The main aim of these was to ensure that there was no unauthorised expenditure within the items and programmes, as well as to ensure that the budget within the infrastructure projects was correctly aligned with the spending. The table below indicates the virements as approved by the Provincial Treasury:

Virements From			
Programme	Sub-programme	Econ Classification/ Item	Amount R'000
Transport Infrastructure	Infrastructure Planning	Goods and services	8 915
Transport Operations	Public Transport Services	Goods and services	10 370
Transport Operations	Public Transport Operations	Goods and services	610
Transport Operations	Public Transport Services	Buildings and other fixed structures	66 603
Total			86 498

Virements To			
Programme	Sub-programme	Econ Classification/ Item	Amount R'000
Administration	Corporate Support	Theft and losses	19 895
Transport Infrastructure	Construction	Buildings and other fixed structures	65 723
Transport Regulation	Transport Admin and Licensing	Buildings and other fixed structures	880
Total			86 498

The Department occupies Sage Life Building as its Head Office, which is situated at 41 Simmonds Street, Central Business District in Johannesburg. The above-mentioned building is occupied for free and belongs to the Gauteng Department of Infrastructure Development (GDID) as part of Kopanong Precinct assets.

Furthermore, the department occupies an additional building in Johannesburg for free, lease payments and other operational expenses are paid for by GDID, please refer to the below for the summary of expenses that would have been incurred by Department if the related party relationship did not exist:

	Operational Costs		
Department	Cleaning Services	Operating Leases	Total
Costs incurred by Department of Infrastructure Development	1 966 545 79	8 360 078 71	10 326 624 50
Total	1 966 545 79	8 360 078 71	10 326 624 50

Item	Amount (R'000)	Reasons/Challenges	Mitigating Measures
Unauthorised Expenditure	-	No unauthorised expenditure incurred in the current financial year.	The Department will continue to put measures in place to properly manage expenditure and the implementation of all projects. This is critical to ensure the Department is not over-committed.
Fruitless and wasteful expenditure	250 663	R250 650 million of the reported fruitless and wasteful expenditure relates to two (2) lawsuits that were lost by the Department. Subsequently settlement agreements were concluded giving effect to payments. In some instance interest was levied on overdue accounts amounting to R13 000.	All payments made for interest on overdue accounts and penalties are reported to the Accounting Officer for investigation purposes and corrective measures. Payments pertaining to penalties and interest have drastically reduced in contrast to the prior years.
Irregular Expenditure	1 942 471	The majority of the irregular expenditure incurred by the Department relates to the extension of bus subsidy and security services contracts. These contracts were reported as irregular in the preceding periods.	The Department put strict procurement measures in place and officials within Supply Chain Management (SCM) attend regular training on SCM procedures. The open tender process is one of the many initiatives that are undertaken by the Department to strengthening competitive bidding and transparency. In terms of the current judicial process, the Department is unable to terminate the bus subsidy and security services contracts.

Future plans of the department

As this is a long-term strategy, the Department will continue implementing its statutory mandate of ensuring world-class roads and transport infrastructure networks and systems that facilitate seamless mobility of goods and people within Gauteng.

Gauteng open tender process

The Provincial Government increased its efforts to improve transparency and instil public confidence in the procurement processes of the Department. The open tender process was introduced as a pilot project between the DRT and Provincial Treasury (and the Gauteng Department of Finance, specifically for the Cedar Road project in Fourways). The Department will proceed as planned in the financial year 2015/16.

Gautrain Expansion

The feasibility study for the possible extensions to the Gauteng Rapid Rail System is progressing based on the PPP requirements and format of National Treasury as set out in Treasury Regulation 16. As at the end of the first Quarter of the 2015/16 Financial Year, the province-wide demand modelling results, that is key in determining the future developments of the project, is expected by August 2015 and will be used to finalise proposals on routes and alignments for consultation with all affected stakeholders. The planned completion date for the feasibility study is March 2016.

The feasibility study will include a full economic analysis, socio-economic and environmental impact analyses, cost and revenue studies and a full funding options study developed in partnership with the DBSA.

It is accepted that the funding sources for the possible extensions will be different from what was the case with the existing Gautrain where significant capital grants from the Provincial and National Government were required to supplement the private capital raised for the Project. In addition, the Gautrain has shown that significant benefits for stakeholders, including property owners, arise directly from the development of the Gautrain, especially around stations. In a model of funding used around the world, a value-capture mechanism results in a transfer of increases in private real estate value generated by public investments back to the public agency responsible for the infrastructure investment. The public-sector uses the recouped value to cover some of the cost to society of providing the underlying infrastructure. Other models include generating additional revenue from commercial activities in the rail system. The funding model will be developed in conjunction with the feasibility study and will be completed in early 2016.

Non-Motorised Transport Strategies

The 25 year Integrated Transport Master plan (ITMP25) provides the policy mandate for the development of Non-Motorised infrastructure in Gauteng. The NMT plans are aligned to world conventions and protocols in terms of green transport strategies, air quality and moving towards meeting the targets set by the Kyoto and Durban COP17 agreements. Whilst the deployment of NMT infrastructure has commenced over the previous MTEF, the plans over the next MTEF are also geared towards the provision of the following supporting and value add facilities.

Construction of Bicycle Parking Racks: for safekeeping of bicycles at schools during school hours to prevent theft as well as at railway precincts including the Gautrain and BRT stations.

NMT Signage's and Markings: in line with safety awareness of cyclists and the promotion of NMT

Bicycle Repair Facilities: this project is aimed at promoting economic development and financial sustainability by assisting entrepreneurs to set up these repair centres at strategic locations in order to support the sustainability of Shovakalula and other cyclists.

Bicycle Manufacturing Plant: Establish a Public Private Partnership Initiative to conduct a feasibility study on the development of a bicycle manufacturing plant in the Province.

Marketing and Promotion of NMT: it is a known fact that marketing is the most successful way of changing the mindset of individuals as we steer them in a particular order. Various resources have been put into NMT Infrastructure and unless we balance that with an intense marketing and promotion strategy we will not see a shift to NMT as desired.

Building Relationship with Municipalities in response to the demands on the GCR strategy implementation

Currently the Department has functional and effective Transport Inter Governmental Relations (IGR) Structures as follows:

- Transport Technical Working Committee (TTWC) to ensure that the IGR structures are functional. It is an overarching structure chaired by DRT and addresses issues between the Department and its stakeholders.
- The Freight Forum which coordinates between Province and stakeholders on Freight access nodes and fosters collaboration between different spheres of government including National, Provincial and Local.
- Integrated Transport Plans (ITP) Committee with the focus on guiding Municipalities in preparing ITPs using the Provincial Land Transport Framework (PLTF) in compliance with the National Land Transport Act (NLTA) mandate and the stakeholders. Further, to ensure compliance with Legislation in the development of both the PLTF and ITPs.
- Rail steering Committee (RSC) which ensures that there is a Province wide coordinated and integrated approach when dealing with matters related to Rail within the Gauteng Province. The committee further ensures that all rail projects and programs are aligned and in support of the Gauteng City Region concept.

While these structures play a pivotal role in project integration across municipal boundaries, the process of establishing a Gauteng Transport Authority to manage and coordinate integrated transport is well on its way. The focus for the next year is to achieve the following:

- The functional Transport Commission with its political buy-in and underpinned by a signed MoU has five workstreams (NMT; BRT; TDM; Rail and ITS). These together with the IGR structures mentioned above will form the basis of a Transport Authority.
- The preliminary plans is to formulate the business case on the powers and functions that such an authority could manage in the future as recommended by the ITMP25.

This will also see legislation drafted to put in place an Authority underpinned by Provincial Legislation and funding mechanisms.

Customer centric services

Improving the customer experience includes the upgrading of our Head and Regional offices that are accessible and customer focused. The upgrading of our service centres such as our DLTCs and TOLABs are also being undertaken towards enhancing the customer centric service orientated approach by implementing renewed service charters and standards together with que management systems and automated services.

Public Private Partnerships

The only Public Private Partnership (PPP) agreement registered in the name of the Department of Roads and Transport is that of the Gautrain Rapid Rail Link Concession Agreement. The PPP concession agreement is with Bombela Consortium.

For the purpose of implementing the Gautrain project, the Department established the Gautrain Management Agency (GMA), a schedule 3C public entity, as per Public Finance Management Act. The Primary responsibility of GMA is to manage, co-ordinate and oversee the Gautrain project.

In terms of the concession agreement the Bombela Consortium will design, construct, test, commission, operate and maintain the Gautrain under the terms and conditions outlined in the concession agreement. The concession agreement with Bombela Consortium is currently on its third year in terms of the operational and maintenance phase, the total concessionary period is fifteen (15) years.

The Department did not enter into any new public private partnership arrangements during the financial year 2014/15.

Discontinued activities/ activities to be discontinued

None

New or proposed activities

None

Supply chain management

- List all unsolicited bid proposals concluded for the year under review

The Department did not undertake in any unsolicited bid proposals for the year under review.

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

The Department has made significant strides in its efforts to prevent incurring any irregular expenditure. Procurement processes have been streamlined into a revised supply chain management policy which addresses all identified weaknesses and areas of risk within the department's procurement environment. Process follow documents have been prepared and implemented. The procurement directorate has implemented internal control checklists which assist officials in ensuring that compliance with the requirements of all applicable legislations thereby ensuring fair, equitable and transparent procurement processes. The Department was also privileged to be the pilot department in the first ever provincial "Open Tender" process.

- Challenges experienced in SCM and how they were resolved

The procurement directorate continues to face challenges around capacity, skills and competence levels of procurement officials. The department has mitigated against these challenges by implementing training for officials and managers, especially with regard to the bid specification and bid evaluation functions. The Director: SCM was suspended in 2014 and then following a protracted disciplinary process was dismissed in 2015. This post is in the process of being advertised and filled and will provide the Unit with the necessary leadership to ensure continued improvement in the departments procurement system. The directorate will look to advertise any available positions and further consider adjusting the directorate's structure in order to cater for additional positions that will assist in alleviating current capacity constraints.

Gifts and Donations received in kind from non- related parties

The following gifts listed below were given to GDRT and its officials:

No.	Name of the Organisation	Nature of Gift, Donation and Sponsorship	Amount (R'000)
1	Zamanguni Company	Sponsorship for Mugs & Cooler Bags	1
2	Smec	Soccer Ticket	6
3	Dainfen Golf and country Estate	Sponsorship for Food and Beverage (William Nicole-Outreach)	8
4	Power Construction	2014 Mandela Day Cleaning and Social Responsibility Campaign (40 rakes, 40 brooms and 600 refuse bags.	7
5	PNT Transport	Food packs for Mandela Day	2
6	KPMM Roads and Earth	Soil Turning N12 (Refreshments)	6
7	Kaya FM and Oubaai Resort	Luxury Weekend Getaway	28
8	Volkswagen S.A	V.W Women's day Luncheon	1
9	Vaal Wits Taxi Association	3x Wallets with R100.00 each	-
TOTAL			59

Exemptions and deviations received from the National Treasury

None

Events after the reporting date

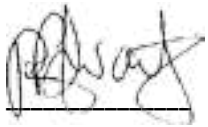
Management is not aware of any material matter or circumstance arising between the financial year-end date and the reporting date.

Acknowledgement/s or Appreciation

I would like to extend my sincere appreciation to the department's staff for their committed dedication and hard work in striving to achieve the mandate of the department. We continue to see improvement in our overall organizational systems, procedures and processes, albeit slowly. There is still much work to do, and I have great confidence in the willingness of the majority of our staff, at all levels, to bring their best game to ensure that this Department becomes one of the high-performing departments in the province.

We would also like to acknowledge our stakeholders from all spheres of Government, the Private and Corporate stakeholders and the public for their support during the financial year under review.

Approval and sign off



Accounting Officer

Mr. R. Swartz

Date: 31 May 2015

1.5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

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

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

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

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

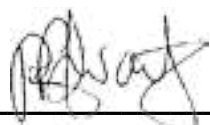
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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 31st March 2015.

Yours faithfully



Accounting Officer

Mr. R. Swartz

Date: 31 May 2015

1.6. STRATEGIC OVERVIEW

1.6.1 Vision

A modern integrated, efficient and sustainable transport and road infrastructure system in Gauteng

1.6.2 Mission

To facilitate and provide an integrated transport system that:

- Is reliable, accessible, safe and affordable;
- Promotes seamless mobility and social inclusion;
- Is environmentally sustainable; and
- Supports industrialisation and radical socio-economic transformation.

1.6.3 Values

The Department of Roads and Transport is guided by the following values that seek to ensure effective and efficient service delivery:

CORE VALUES / PRINCIPLES	
Innovative	Continuously exploring new and creative methods to improve and fast track service delivery
Good governance	Facilitate an inclusive government that ensures integrity, transparency, accountability, and trustworthiness.
Teamwork	Promote consultation, accessibility and cooperation in our activities.
Professionalism	Ensure high level of competence, efficiency, and good work ethic in executing our duties.
Commitment	To remain dedicated in rendering high quality services to the citizens.
Ethical	We commit to be principled, fair and just in our conduct and in service to the people of Gauteng.
Responsiveness (Activist)	Our staff will be proactive, approachable, receptive, and be quick to respond to needs of the citizens.

1.7. LEGISLATIVE AND OTHER MANDATES

The legislative mandate of the GDRT is drawn from Schedule 4 and 5 of the Constitution of the Republic of South Africa's Constitution (1996), Schedule 4 and 5 empowers Provinces with concurrent competencies (together with National Government) and with exclusive legislative competencies on specific functional areas such as public transport and provincial roads. The Department's mandate is derived by the following list of National and Provincial laws and policies.

National Policy and Legislative Mandates

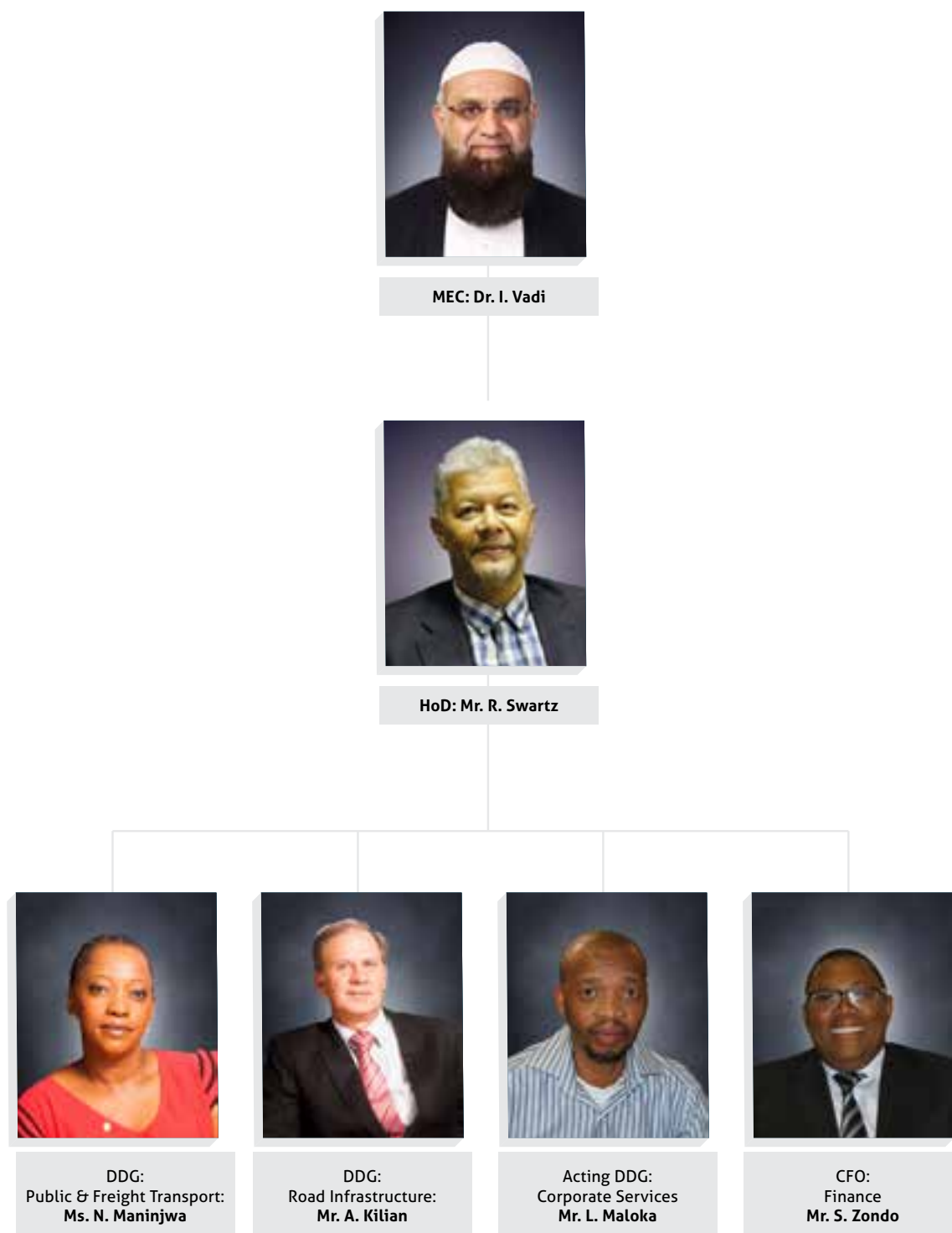
Legislation	Act / Policy
Administrative Adjudication of Road Traffic Offences Act	Act 46 of 1998
Advertising on Roads and Ribbon Development Act	Act 21 of 1940
Construction Industry Development Board Act	Act 38 of 2000
Creating an Enabling Environment for Reconstruction and Development in the Construction Industry	White Paper
Cross-Border Road Transport Act	Act 4 of 1998
Deeds Registration Act	Act 47 of 1937
Division of Revenue Act (DORA)	Act 1 of 2010
Environmental Conservation Act	Act 73 of 1989
Government Immoveable Assets Management Act	Act 19 of 2007
Inter -Governmental relations Act	Act 97 of 1997
National Land Transport Act as amended	Act 5 of 2009
National Land Transport Strategic Framework	Section 21 of Act 22 of 2000
National Road Traffic Act	Act 93 of 1996
National Road Traffic Safety Act	Act 12 of 1972
National Transport Policy	White Paper
Public Finance Management Act	Act 1 of 1999
Road Traffic Act	Act 29 of 1989
Road Traffic Management Corporation Act	Act 20 of 1999
Public Administration Management Act	Act 11 of 2014
Public Service Act	Act 103 of 1994
Broad-Based Black Economic Empowerment Act as amended	Act 53 of 2003
Protection of Personal Information Act	Act 26 of 2000
Electronic Communication Act	Act 36 of 2005

Provincial Policy and Legislative Mandates

Legislation	Act/Policy
Gauteng Planning and Development Act	Act 3 of 2003
Gauteng Road Infrastructure Act	Act 8 of 2001
Gauteng Transport Framework Revision Act	Act 8 of 2002
Gauteng Transport Infrastructure Act	Act 8 of 2001
Gauteng White Paper on Transport Policy	White Paper
Gautrain Management Agency Act	Act 5 of 2007
Provincial Road Traffic Act	Act 10 of 1997

1.8. ORGANISATIONAL STRUCTURE

The senior executive organisational structure of the Department is outlined below.



1.9. ENTITIES REPORTING TO THE MEC

There are two entities under the auspices of the Department. These are the Gautrain Management Agency which is a schedule 3C public entity and g-Fleet Management, a trading entity.

Gautrain Management Agency

The Gautrain Management Agency (GMA) is a Schedule 3C public entity which is under the oversight of the MEC for Roads and Transport. The MEC is the Executive Authority of the GMA and the GMA Board is the Accounting Authority as contemplated in the PFMA. The GMA Board is appointed by the MEC. The GMA is managed by the Chief Executive Officer who reports to the MEC. GMA as a public entity of the Department and produces its own Annual report outlining its achievements for the financial year. A summarised performance report is contained in the Performance Information section of this Annual report.

Legislative Mandate	<p>Gautrain Management Agency (GMA) has been established in terms of the GMA Act and listed under Schedule 3 (c) of the Public Finance Management Act (PFMA) as a Provincial Public Entity.</p> <p>National Policy and Legislative Mandates</p> <ul style="list-style-type: none"> • Public Finance Management Act No. 1 of 1999 • Environmental Conservation Act No. 73 of 1989 • National Land Transport Act 5 of 2009 • National Railway Safety Regulator Act No. 16 of 2002 • Treasury Regulations Act and Section 76 of the PFMA • Division of Revenue Act No. 1 of 2010 • Companies Act No. 71 of 2008 • Consumer Protection Act No. 68 of 2008 <p>Provincial Policy and Legislative Mandate</p> <ul style="list-style-type: none"> • Gauteng White Paper on Transport Policy • Gauteng Transport Framework Revision Act No. 8 of 2002 • Gauteng Transport Infrastructure Act No. 8 of 2001 • Gauteng Legislation on Development Planning • Gautrain Management Agency Amendment Act No. 6 of 2008 • Provincial Growth and Development Strategy (PGDS) • Gauteng Spatial Development Perspective
Financial Relationship	The GMA receives its MTEF funds through the Department's vote
Nature of Operations	The main objective of the GMA is: To manage, co-ordinate and oversee the Gautrain Rapid Rail Link Project

g-FleeT Management

g-Fleet Management is a trading entity of the Gauteng Department of Roads and Transport and is under the oversight of the Head of Department. The entity is managed by the Chief Executive Officer who is accountable to the Head of Department. Whilst g-FleeT Management is under the administration of the Department, the entity compiles its own annual report which is included in this annual report.

Legislative Mandates	<ul style="list-style-type: none">• Public Finance Management Act (PFMA)• Treasury Regulations• Treasury practice notes• Public Service Act• Public Service Regulations• Cabinet Memo of 1988• Transport Circular 4 of 2000• National Road Traffic Act of 1996
Financial Relationship	g-FleeT Management is a trading entity of the Department and its formally known as the Government Motor-Vehicle Unit.
Nature of Operations	The entity's operations are largely regulated by the National Transport Circular No. 4 of 2000, which governs all matters relating to the utilization of government-owned transport and related transport.



PART B:

PERFORMANCE INFORMATION

2.1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 162 of the Report of the Auditor General, published as Part E: Financial Information.

2.2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2. 2.1 Service Delivery Environment

The Gauteng Department of Roads and Transport (GDRT) is the main contributor to the provincial outcome of providing an environmentally sustainable road infrastructure and integrated transport system that is reliable, accessible, safe and affordable and that has a broad range of socio-economic effects. These include the benefits flowing from increased accessibility, employment creation, increased efficiency and social inclusion of all citizens of the province.

The core business of the Department is to provide and preserve the strategic transport infrastructure and systems that supports socio economic development and improve the lives of the people of Gauteng. This encompasses the undertaking of transport planning that supports an integrated and efficient approach to transport, the construction, upgrading and maintenance of transport infrastructure to facilitate the seamless mobility of goods and people and thereby contributing to socio economic development.

The Department's mandate also includes the regulation of both private and public transport to ensure the safety of all its road based users. The regulation of Public Transport in particular is aimed at ensuring safe, affordable, reliable and accessible public transport for the people of Gauteng. It regulates public transport through the issuance of public transport operating licenses and the monitoring of public transport route compliance.

It also regulates the provision of learner and driver licensing. This has an impact on the safety of road users.

The core functions and responsibilities of the department are derived from its legislative mandate and strategic vision:

- To develop and maintain a sustainable road infrastructure that contributes to increased economic growth and enhanced quality of life in Gauteng;
- To develop a policy framework in support of a modern, integrated and intelligent transport system;
- Through green transport, to contribute to environmental protection;
- To provide public transport infrastructure that promotes integration and inter-modality of public transport;
- To regulate public transport operations through the issuing of operating licenses and permits;
- To regulate public transport operations through the registration of associations;
- To issue valid drivers' licenses; and
- To issue valid vehicle licenses.

The core service delivery environment is also informed by national and provincial policies, priorities and plans. The priorities and objectives of these Medium Term Strategic Framework (MTSF) policy documents have been inculcated into the Department's 5 year Strategic Plan (2014-19). At a national level, the National Development Plan has outlined the transport priorities, whilst at a Provincial level, the 10 Pillar programme and TMR (Transformation, Modernisation and Reindustrialisation) guides the modernisation of Public Transport outcomes.

National Development Plan

The Department's 5 year strategy as outlined in its 2014 -19 strategic plan was also informed by the National Development Plan's (NDP) transport vision of making transport a key driver in empowering South Africa and its people. In line with the NDP the Department of Roads and Transport reinforced its functioning as "a capable navigator" to oversee the provincial transport system that serves the interest of society, establish a holistic view of provincial transport realities; and prioritise, plan and provide basic infrastructure where needed.

The transport priorities of the NDP that the department continues to focus on are:

- Bringing about a modal shift from private transport in the long term;
- Create workable urban transit solutions with public and private components;
- Strengthen and optimise freight corridors; and
- Rural access and mobility.

These priorities are given focus in the department's programmes and projects that are undertaken. The Department also engages with national, provincial and local spheres of government in the implementation of strategic infrastructure projects as outlined in the NDP and the Strategic Infrastructure Programme (SIP) namely SIP 2 and 7 respectively.

Gauteng Provincial Government 10 Pillar Programme

The Gauteng Provincial Governments 10 Pillar Programme for the 2014-19 term of office has significantly informed the department's strategic plan. The Department contributes to the following Pillars of the 10 Pillar programme:

1. Decisive spatial transformation.
2. Modernisation of the public service.
3. Modernisation of public transport infrastructure.
4. Re-industrialisation of Gauteng province.

The Department has ensured that the priorities of these pillars are incorporated into its strategic programme of action over the next 5 years.

25 year Integrated Transport Master Plan (ITMP25)

In response to the NDP the Department of Roads and Transport developed the ITMP25 that provides a framework within which an efficient and integrated transport system for Gauteng can be achieved. The plan has been widely consulted and forms the guiding framework of the department's 2014-2019 Strategic Plan.

At its core the ITMP25 is more than a transport plan. It sets out a plan to improve the lives of all Gauteng residents and to position our province as a great place in which to live and work, to be an attractive destination for foreign investment and tourism. It presents a paradigm shift in spatial and transport planning. It serves as a point of departure from apartheid spatial planning; land use and mobility; and ushers in an integrated and equitable transport value chain, where public transport has the highest priority.

The plan proposes 10 key initiatives that will be implemented over a 25 year period which will guide policy and strategy developments towards an integrated transport system for Gauteng.

The 2014/15 financial year is the 2nd year of implementation of the ITMP25 and the plan will continue to be the blue print for ongoing planning and implementation in the Department.

This annual report provides the progress of the Department in fulfilling its mandate in respect of executing the above core service functions and responsibilities.

Service Delivery achievements

Service delivery remains a core focus for the Department of Roads and Transport. Our achievements in the area span a variety of Programmes and projects. This section outlines some of our key achievements and ongoing progress on multiyear projects.

Provision of Strategic Transport Infrastructure towards socio-economic development

In the pursuance of the objective to provide modernised road infrastructure that promotes socio-economic development in the Gauteng Province, the Department has through its transport infrastructure programme upgraded and rehabilitated the following provincial roads:

- **K46 Phase 1 (William Nicol)**

The construction of road K46 was undertaken to improve access to the Diepsloot area and Fourways towards Randburg and also to provide black economic enterprise contractors with a substantial portion of the work, provide training to local and other labourers and to execute the work with a high degree of safety. This road ensures accessibility to the Monte Casino, Indaba Hotel and the Fourways shopping mall.

- **K14 (Cullinan Road)**

On road K14, 3.3km of single carriageway from the Chris Hani flats towards Cullinan was upgraded resulting in increased capacity, safety and accessibility to Cullinan which is a tourism town. This upgrade supports the economic development activities with regards to the diamond mining industry in the areas and seeks to unlock economic development potential associated with the diamond mining and tourism initiatives.

- **D1726 (Tarlton road)**

The rehabilitation D1726 (Tarlton road) provided an important North - South link between the P16-1 (R24) Tarlton side and Randfontein, to construct and rehabilitate road D1726 with an improved geometric and safety standard and to integrate the new road into the existing infrastructure. The project involved the rehabilitation of 7.9km of a rural, two lane, single carriageway road, which links the R24 to Randfontein.

- **Rehabilitation of 5.66km in road P39/1 from ISCOR Bridge to K71**

The rehabilitated road P39/1 commencing at the Iscor bridge at 4km ending at intersection K71 at 7,60km (Laudium) is an alternative North-South carriageway between Pretoria industrial and greater Johannesburg, to the already overloaded N14/N1 freeway and has improved accessibility in Laudium and Atteridgeville.

- **Rehabilitation of 9.56km in Road D1511 between intersection with Dale and Allen Roads D51**

The rehabilitated Road D1511 dual carriageway link (Zuurfontein Street) between Modderfontein and Chloorkop road provides an alternative to the N1, N3, and N1/N3 interchange. The road is located on the North-Eastern edge of Johannesburg, East of the N1 and serves as a collector/ distributor for the residential areas surrounding the route.

P70/1: Rehabilitation and upgrading of Witkoppen road (P70/1) between Megawatt park and Sunninghill hospital

The P70/1 is being rehabilitated from Main Road P71/1 Eastbound towards Rivonia road for 3.05km. The rehabilitation includes the widening of portions of P70/1 and gravel shoulders. Motorists will benefit from the rehabilitation of the road as it will reduce travelling distance.

Completed Projects Launched

The department was happy to celebrate the launch of the following projects with the Communities:

K14 – Cullinan Road

The K14, Cullinan Road was completed and launched at a ribbon cutting ceremony in July 2014 where the MEC for Roads and Transport officially opened this road with the Refilwe town community.

P39/1 – Kwagga Road, R55 – Atteridgeville to Laudium

The Kwagga Road, R55, Sod turning event took place in June 2014. The project was successfully completed during the year and was opened at an official ribbon cutting event by the MEC with the Laudium community in February 2015.

New Projects Launched

The following Multiyear projects were launched during 2014/15.

The P186/1 – N12 – Misgund Interchange Eldoradopark Sod turning event took place in August 2014. The project is ongoing and is expected to be completed in June 2015.

The P3/6 – N12 – Gauteng (Zuurbekom) to Northwest border is a multi-year project and the Sod turning for the launch of the projects was completed in August 2014. The project is scheduled to be completed in 2016.

Promoting Non-Motorised Transport

Non-Motorised Transport facilities (NMT)

NMT infrastructure development initiative includes the construction of walk ways and bicycle lanes on the high pedestrian volume routes to promote walking and cycling as viable modes or feeder modes of transport within the provincial public transport system.

During the year under review the Non-Motorised Transport (NMT) Programme was successfully completed on Lillian Ngoyi, Dube Street and Currie Boulevard, Bophelong 4km of walkways and cycle lanes were completed. The NMT projects are ongoing in Winterveld with 19 kilometers of walkways and cycle lanes constructed at various locations in Winterveld.

Department participates in the Freedom Ride

The Gauteng Department of Roads and Transport (DRT) together with the City of Johannesburg participated in the third Freedom Ride cycling event that took place on Sunday, 22 March 2015. Freedom Ride is a social non-competitive cycling event that is open to everyone staging from those who are learning to ride to pros, both young and old.

In 2014 the Freedom Ride took place between Alexandra and Sandton. The 27km ride representatively links up the two locations. The ride aimed to commemorate the Freedom amongst the people and promote the ongoing construction of dedicated cycle lanes and sidewalks located in the city and informal settlements.

It is also one of the event that fulfil plans to achieve a transit oriented development with all city' streets transformed to be user-friendly for all, especially cyclists and the ongoing rollout of Rea Vaya Bus Rapid Transit (BRT) and other forms of quality public transport.

Effecting Transport Regulation

Upgrading of the Driver License Testing Centre (DLTC)

A turnaround strategy was embarked upon to expand and modernise these frontline service delivery points. The objective of this initiative is to bring service delivery (Driver License Testing Centre and Motor Vehicle Registration Centre) closer to the previously disadvantaged communities by facilitating access to services with the main focus being on a customer centric service orientated approach.

In line with this strategy the refurbishment of two DLTCs, the Mabopane and Temba DLTCs in the Tshwane Municipality, commenced and will be completed in the 2015/16 financial year. These upgrades seek to increase the testing capacity for better service delivery in Mabopane and Temba including the surrounding areas.

Computerised Learner License Test system (CLLT) supporting government in curbing corruption

As the department continues with various interventions to curb corruption in the Driver Learner Testing Centers (DLTCs), the recent introduction of Computerised Learner License Test system (CLLT) seems to be yielding fruits of success.

After years of dealing with challenges, the National Department of Transport (NDoT) appointed Tasima, the service provider formed to create, effectively manage and refine the National Traffic Information System (eNaTiS) project to develop CLLT.

The development was motivated by the fact that the manual learners test advanced itself to fraud and corruption as text books are used and tests are marked manually by examiners.

Since its installation and use in various testing centres such as Mabopane, and Akasia, and mobile trucks deployed to places such as Rayton, there has been an alleviation of the problem. In the 2012/2013 financial year, CLLT were rolled out at 6 centres, Temba, Xavier, Waltloo, Brakpan, Meyerton and Randburg. The 2014/15 financial year saw the CLLT system rolled out at 24 DLTCs. Two (2) mobile trucks with the CLLT system were also deployed at Bronkhorstspuit and Rayton DLTCs. The implementation of the system at the 11 outstanding DLTCs will be completed in the 2015/16 financial year thereby ensuring a 100% deployment of the system to all Gauteng DLTCs. The Boekenhoutkloof Training College is being utilised for training purpose to support the effective and efficient use of the system.

The system results have brought a faster turnaround times for issuing of driver license cards and elimination of fraud and corruption. In addition, CLLT is linked to the IDECO Afiswitch, a sole provider to the private sector of automated criminal record checks for fingerprints clearance when application is made for a Professional Driving Permit. This is due to the fact that certain offences prohibits applicants from holding PrDP's and the old manual system of obtaining criminal records was flawed and open to fraud.

Regulation of Public Transport Services

Issuing of Public Transport Operating licenses

In line with its core service delivery of regulating Gauteng public transport services and public transport operators, the department issued a total of 11 214 permits/operating licenses. A total of 3 446 permits were converted to operating licenses.

The Germiston TOLAB construction improvements were completed and will be operationalised in the 2015/16 financial year thereby increasing the department's front line services to the Transport Operators in the Germiston and surrounding areas.

Monitoring compliance of Public Transport Operators

Monitoring of route compliance was embarked upon with the assistance of the law enforcement agencies to enforce operator compliance to identified routes. In the implementation of its monitoring strategy 729 routes were monitored during the year under review, this included surprise visits to various Taxi ranks to ensure compliance by the operators. The full registration of 30 Minibus taxi associations was also completed.

Supporting major Freight planning and investment strategies

The GDRT is the lead Department in the planning, design and construction of the Freight and logistics infrastructure implementation in Gauteng. During the MTSF the upgrade of the City Deep Freight and Logistics Hub will be completed, together with the construction of phase 1 of the Tambo Springs Freight Hub. During the year under review the following progress was achieve.

City Deep Freight and Logistics Hub

The preliminary and detail designs of the widening of Rosherville road and bridge together with the extension of the Bonsmara road to Heidelberg road were completed. The Cleveland road bridge preliminary design was completed with the detailed designs commencing. The following feasibility investigation were completed; the extension of the Houer road to Vickers road and the construction of ramps on the N17.

Tambo Springs Freight and Logistics Hubs

During the 2012/13 financial year the Transport Master Plan, Traffic impact assessment, socio-economic impact assessment and the Draft business plans were concluded. In 2014/15 the Department followed with the assessment and prioritisation of the road network in the Ekurhuleni Metropolitan Municipality which will support the functioning of the Tambo Springs freight hub. The design for the high mobility K routes and interchanges (K148) which will provide access to the Hub has commenced. The land negotiations for the hub continued and will be concluded in the 2015/16 financial year.

The detailed achievements for the financial year under review are provided in the Performance Information by Programme section of this annual report.

Service Delivery challenges

All the services delivered by the Department are directly aligned to one or more of its strategic objectives. This section highlights key external challenges that negatively impacted on the GDRT's ability to deliver on planned services.

One of the major resources required to construct and upgrade the roads network infrastructure is land. Land has to be acquired from land owners and proclaimed as road reserves which are utilised to expand and upgrade the current road network. The 2014/15 financial year saw the continued effects of the global financial crises. This impact was felt by the Department as it experienced an increase in the rand value of land required to proclaim road reserves. To address this challenge ongoing engagement with land owners are continuing to ensure that value for money and efficient use of land resources are achieved.

The period under review also experienced rather sharp increase in the goods and services that are required for the construction and maintenance of road infrastructure in particular the high prices of bitumen and asphalt.

Challenges were experienced in the Environmental Management Framework in terms of time, cost and procedure on route determination results. This has resulted in delays in the completion of projects. A successful conclusion to this challenge was achieved when the Gauteng Department of Agriculture and Rural Development (GDARD) regulations were revised on Route Determinations.

The Department also experienced challenges with completion of Transport infrastructure projects due to community unrest which results in change of scope for some projects. The Department has intensified its public participation programme to address issues between Department and the community.

A number of contractors in the roads environment, due to lack of required experience tendered to under-price their bills of quantities resulting to substantial deviations in the final product costs. This results in project delays being experienced together with poor quality work and in as a last resort the contract being terminated. When contractors underperform or experience difficulties during a project, the Department provides the necessary guidance as well as technical support to assist the contractors in completing the project. This is part of the departmental programme of contractor empowerment and development.

The delay in the finalisation of permit conversion process is mainly attributed to the constant down time and unavailability of the NLTIS. The Department has engaged the National Department of Transport (NDoT) to request a review of the National Land Transport Information System (NLTIS) to ensure it is efficient and effective and supports the high volume licensing process system.

2.2.2 Service Delivery Improvement Plan

Main services and standards

Main services	Beneficiaries	Current/Actual standard of service	Desired standard of service	Actual achievement
To provide transport services and technical inputs to transport policy.	All core functions, Directorates and Senior Management in the Department.	Compliance with NLTA.	According to National Land Transport Act (NLTA) and related National Acts and Gauteng Transport Acts.	Compliance with NLTA.
Implementation of freight plan for Gauteng.	Transport authorities, municipalities, GDARD, GDED and Transnet.	Initiated projects. Gauteng freight data bank, reduction of congestion through Freight Management, Maize Triangle Strategy and Freight Access Strategy to uplift WRDM.	According to the Gauteng Freight Implementation Strategy.	Initiated projects. Gauteng freight data bank, reduction of congestion through Freight Management, Maize Triangle Strategy and Freight Access Strategy to uplift WRDM.
Issue abnormal vehicles and loads permits.	Engineers, Planners, Local Authorities, Industries and General Public.	1 work day per permit.	2 work days per permit.	1 work day per permit.
Bus subsidy payments.	Bus operators.	Review of bus subsidy.	Management of public transport subsidy.	Review of bus subsidy.

Main services	Beneficiaries	Current/Actual standard of service	Desired standard of service	Actual achievement
Issuing of Operating Licenses/Permits for all public transport modes in the Province.	Public Transport Operators and commuters.	Operating licenses/ permits issued within 120 working days upon receipt of application.	Operating licenses/ permits issued within 60 working days upon receipt of application.	Operating licenses/ permits issued within 120 working days upon receipt of application.
Testing and issuance of Driver and Learner licenses .	Aspirant drivers.	Testing and issuance of temporary learner and driver licenses completed within 2 hours.	Testing and issuance of temporary learner and driver licenses completed within 2 hours.	Testing and issuance of temporary learner and driver licenses completed within 2 hours.
Testing of Vehicles and issuance of Road worthy certificates.	Vehicle owners and road users.	Testing of motor vehicles and issuance of road worthy certificates completed within 2 hours.	Testing of motor vehicles and issuance of road worthy certificates completed within 1 hour.	Testing of motor vehicles and issuance of road worthy certificates completed within 2 hours.

Batho Pele arrangement with beneficiaries (Consultation access etc.)

Current/Actual arrangements	Desired arrangements	Actual achievements
Forums.	Establishment of committees.	Held consultation through the Gauteng Freight Forum, Gauteng Passenger Rail Steering Committee and the Integrated Transport Plan Steering Committee to address transport needs in Gauteng.
Social facilitation.	Stakeholder consultation.	Informed customers, community members and other stakeholders.
Media networking session.	Informed public.	Improved image and informed public.
Publications including newsletters.	Informed public.	Informed internal and external stakeholders.
Freight Roads Information.	Informed freight stakeholders.	Providing updated and accurate freight information on provincial and national roads.

Service delivery information tool

Current/Actual information tools	Desired information tools	Actual achievements
Monthly, quarterly and annual report.	Website, intranet and database.	Informed internal and external stakeholders.
Brochures, posters, newsletters and leaflets.	Website, intranets and handouts.	Well Informed internal and external stakeholders.

Complaints mechanism

Current/Actual complaints mechanism	Desired complaints mechanism	Actual achievements
Email.	All complaints received to be handled.	All complaints received were handled.
MEC enquiry.	100%	100%
Telephone.	All complaints received to be handled.	All complaints received were handled.
Meetings.	100% satisfied clients.	100% satisfied clients.
Provincial and National hotlines.	All complaints received to be handled.	All complaints received were handled.
Letters.	All complaints received to be handled.	All complaints received were handled.

2.2.3 Organisational environment

Department of Roads and Transport Programme Structure

The Department programme structure is defined by National Treasury. The programme structure encompasses 4 programmes together with its respective sub-programmes. The table below provides a description of the programme structure and its related sub programmes:

Programme	Sub-programme
1. Administration.	<ul style="list-style-type: none">• Office of the MEC.• Office of the HoD.• Corporate Support.
2. Transport Infrastructure.	<ul style="list-style-type: none">• Infrastructure Planning.• Infrastructure Design.• Construction.• Maintenance.
3. Public Transport Operations.	<ul style="list-style-type: none">• Public Transport Services.
4. Transport Regulation.	<ul style="list-style-type: none">• Transport Administration & Licensing.• Operator License and Permits.

5 year Strategic Plan 2014-19

The financial year 2014/15 ushered in the 5th democratic term of office for the country with the national elections occurring in April 2014. In May 2014, post the April 2014 general elections, the Gauteng Provincial Government adopted a 10 pillar programme. The programme gives effect to the radical transformation of Gauteng, in line with National Development Plan (NDP), Vision 2030, and is aimed at **radically transforming, modernising and re-industrialising** Gauteng over the next five to fifteen years. Thus, the ten pillars formed the basis of the Provincial Government's strategic priorities and programmes for the 2014-2019 Medium Term Strategic Framework (MTSF). The Department undertook its strategic planning process to align its 5 year strategy to the identified National outcomes, taking into account the National development Plan, Strategic Infrastructure Programmes (SIPs), and the Gauteng Provincial Government's 10 Pillar programmes and Treasury budget programmes.

The outcome of the strategic planning process was the development and adoption of a 5 year strategic Plan (2014-19) which encapsulates the departments strategic vision, focal areas and priorities for the next 5 years. This plan outlines the department's strategic focus in respect of roads and transport with the emphasis on the transformation, modernisation and re-industrialisation of these strategic transport infrastructure and systems culminating in an integrated public transport network and systems.

The Annual Performance Plan for 2014/15 was developed and approved in February 2014. However due to the new political term which commenced in April 2014 new priorities for the MTSF 2014-19 were developed. This necessitated Government Department to realign the 2014/15 APPs to the new priorities. The Department undertook the revising of its 2014/15 APP to ensure alignment to the new MTSF priorities, national outcomes and the Gauteng Provincial Government Ten Pillar programme. The revised APP was tabled at Gauteng Treasury and Legislature and forms the basis of this Annual Report.

Organisational Structure and capacitation

The introduction of the 25 Year Integrated Transport Master Plan (ITMP25) and the 5 Year Gauteng Transport Implementation Plan (GTIP5) which will serve to fast track the implementation of certain urgent initiatives and projects, made it vital for the Department to redesign its organisational structure. The purpose of the redesign is to ensure alignment with the strategic objectives which are outlined in ITMP25 and GTIP5 as well as the required human capital to implement incumbent initiatives and projects. The redesign process will evolve through the 2015/16 financial year.

In reducing the high vacancy rate the department's recruitment drive yielded appointment of 263 employees in various occupational categories. The capacitation through the recruitment drive focused on critical posts that will enhance the department to deliver on its mandate.

Department launches "Can Do Attitude" campaign

The Department launched an internal campaign to form part of a continuous process of engagement with its employees to facilitate and generate ideas and interventions to improve relations and productivity.

The "Can Do Attitude" campaign was formally launched by the Head of Department Mr Ronald Swartz and senior managers at City Hall, Johannesburg on 25th of August 2014. The campaign seeks to improve two-way communication aimed at resolving issues and enabling the development of a positive and conducive environment for effective service delivery. The rollout of the campaign included conducting road-shows at its various regional offices in order to afford employees with a platform to engage senior management, raise concerns whilst in turn proposing possible solutions. These engagements have been valuable in seeking to understand issues relating to service delivery and concerns of employees towards building an organisation that lives its values and support the Gauteng Provincial's Governments call for a more Activist Government towards improved service delivery.

Phase two of the Can Do Attitude campaign will commence next year. Through this process, senior management will be deployed to visit Departmental offices and projects whilst acquainting themselves with employees' working environments and improve upon reporting and accountability.

The Department experienced challenges in executing its mandate during the year under review. The challenges are explained below:

At the commencement of the 2014/15 financial year department experienced a shortage of qualified engineers as the contracts of the foreign engineers employed during the previous term of office came to an end. This shortage of capacity impacted negatively on the project implementation. The Department of Public Service and Administration (DPSA) introduced the Occupational Specific Dispensation (OSD) in July 2009 in order to streamline the recruitment and retention of professional engineers and technicians in the public sector. The Department is mindful of the challenges relating to the filling of OSD occupations within the engineering and related occupations and legal services occupations. The poor filling of these positions have been primarily contributed to the applicants not fully complying with the statutory appointment requirements needed for appointment into these occupations. Our post advertisements relating to these occupations have hardly yielded any qualifying candidates, thereby leading to the non-filling of these positions.

The roll out of load shedding by ESKOM has also impacted on the department. This has negatively impacted on working hours and productivity within the Department. Strategies to address and manage these events were developed to mitigate the risks to service delivery and the organisation. The Department will continue to identify further strategies to ensure that service delivery and the organisation is effectively managed.

Mr. Roux a registered engineer with the Engineering Council of South Africa (ECSA) started his career in 1973 in the Public Service. He wrote his first publication on "Maintenance Aspects of Throughways and Major Roads", as an article in the MUNICIPAL ENGINEER, magazine in March 1980. His last position from 2010 until the end of 2014 (retirement) he was of Chief Director: Transport Policy and Planning to manage the development of roads and transport policies and transport planning services. He served as Secretariat of the Gauteng Transport Commission from November 2013 until retirement in December 2014. The Department wishes him well in all of his endeavors and thanks him for his leadership and expertise over the years during his tenure in the Public Service.

2.2.4 Key policy developments and legislative changes

The Gauteng Transport Commission

In line with the interventions in the ITMP25, the Gauteng Transport Commission (GTC) became fully operationalised in 2014/15 financial year with a dedicated workplace and staff from the DRT who permanently administer the functions of the office. The purpose of the GTC is to promote, optimise, coordinate and integrate transport planning in the Province. The establishment of a fully operational Transport Commission is ensuring synchronisation in terms of transport policy and planning between all spheres of government. The GTC focuses on an integrated approach to transport planning, promoting efficient use of public resources for effective transport systems and corporative governance. The financial year has seen the appointment of a panel of experts by the Governing Body of the GTC. The experts play an advisory role to the Governing Body. They have participated in numerous planning sessions to map out their role and responsibilities as it relates to the GTC.

A strategic session with officials, politicians and experts was convened and it provided clarity on the functionality of each workstreams and started mapping out how the GTC can integrate aspects of transport amongst stakeholders for a seamless transport system in the Province. The GTC aims to set the tone and provide the means to forming the Transport Authority that will be incrementally instituted as a fully fledged and legislated Authority.

Sustainable Green Transport Policy

Sustainable Green Transport aims to minimise the adverse impact of transport on the environment and simultaneously address current and future transport demands based on sustainable development principles.

In Gauteng, the transport sector contributes significantly to carbon emission levels due to high levels of energy consumption and inefficient transport modes. The ITMP25 acknowledges the need to reduce the adverse impact and promote the use of Public Transport as one of the primary objectives contained in the policy which would be deemed to have numerous secondary benefits towards attaining a global city region commuter pattern. To give effect to ITMP25 green transport initiatives, the Green Transport Policy has been drafted and widely consulted, presented at numerous forums and circulated for comments amongst stakeholders. With inputs having been consolidated, the policy has internally been approved and awaits external approval process.

Legislation

The Department has published the following legislation during the financial year 2014/15.

Motor Vehicle License Fees

Tariff review Legislative Context

The National Road Traffic Act (NRTA), 93 of 1996 stipulate that the fees payable in respect of any application or request made, or document issued in terms of this Act, or any other matter referred to in the Act, shall be determined by the MEC of each province. In addition, Treasury Regulation section 7.1.3 requires the Accounting Officer of an institution to review, at least annually when finalising the budget, all fees, charges or the rates, scales or tariffs of fees and charges that are not or cannot be fixed by any law and that relate to revenue accruing to a revenue fund. To comply with this legislation the MEC prescribed the Motor Vehicle License Fees Regulations, 2014. This legislation was published on the 20th December 2014 for implementation on the 1st April 2015.

The tariff review process

A draft notice detailing the new fees and implementation dates thereof was submitted to the state law advisor for certification. The notice was published in the Provincial Gazette in 16 August 2014 giving the general public 30 days to comment. The notice was tabled before the legislature in 8 November 2014 as per the requirements of the Gauteng Scrutiny of Subordinate Legislation Act, 2008 (GSSLA). Approval from Gauteng Scrutiny of Subordinate Legislation Act, 2008 (GSSLA) was received on the 5th December 2014. Publication for implementation was completed in December 2014.

2.3. STRATEGIC OUTCOME ORIENTED GOALS

The Strategic outcome orientated goals outlines the vision for the future of transport in the province and are imperatives to the long term vision as described in the 25 year Integrated Transport Master Plan of the Department. These outcomes are also aligned to the National outcomes and Transport Priorities together with the Provincial 10 Pillar programme which is outlined in the Transformation, Modernisation and Reindustrialisation (TMR) strategy. These outcomes are expected to be achieved over the next 5 years and give impetus and direction to the strategic objectives which are the intermediate outcomes expected to be achieved.

The following strategic Outcome Orientated Goals have been identified which seek to achieve the vision of the department

Strategic Outcome Oriented Goal 1	A modern integrated public transport system that provides customer-centric transport services.
Goal Statement	To provide a public transport system that meet commuter expectation of accessibility, reliability, safety, affordability and sustainability.
Justification	To enhance the competitiveness of the Global City Region.
Links	NDP, PGDS, Gauteng 2 055 vision.
Sub-outcome	Integrated and regulated public transport and freight service.
Key Priorities	Establishing the Gauteng Transport Authority.
	<ul style="list-style-type: none"> • Province-wide integrated ticketing. • Integrated passenger information and communication. • Integration with the commuter rail corridor modernisation project of PRASA. • Restructuring of subsidised road based public transport. • Corporatisation of the taxi industry. • Access to major freight nodes. • Regulation and enforcement of public transport and freight.

Strategic Outcome Oriented Goal 2	Strategic economic transport infrastructure that stimulate socio-economic growth.
Goal Statement	A sustainable, well maintained, balanced road infrastructure that contributes to increased socio-economic growth and accessibility for communities.
Justification	To promote economic growth, development and land use.
Links	Spatial Development plan, Provincial Infrastructure Master Plan, Municipal IDPs.
Sub-outcomes	Optimum utilisation of existing and new transport infrastructure.
Key Priorities	<ul style="list-style-type: none"> • Travel demand management, less congestion and shorter travel time. • Non-motorised transport providing pedestrian paths and cycle ways. • Continued provincial-wide mobility. • Effective management of existing transport infrastructure. • Intelligent transport system – use of technology to enhance travel management.

Strategic Outcome Oriented Goal 3 Goal Statement	A modern, accountable and development oriented department. A customer centric organisation that is service oriented, accountable to stakeholders, compliant with regulatory frameworks and competent socially conscious human capital.
Justification	An effective governance and management environment that ensures accountability to stakeholders
Links	PFMA, PSA, BCA, SDA, LRA, PAJA, PAIA, Chapter 9 Institutions.
Sub-outcome	An organisation complying with all its financial, administrative and regulatory responsibilities.
Key Priorities	<ul style="list-style-type: none"> • Institutionalise good governance systems. • Enhance the performance managements systems to deliver effective services. • Automation of business process towards efficiencies. • Establishment of a departmental training and developmental centre (Zwartkop). • Develop a knowledge portal that ensures sustainability of institutional memory. • Establish a comprehensive human resource management system • Enhance the contract management system. • Creating an external and internal regulatory environment.

2.4. PERFORMANCE INFORMATION BY PROGRAMME

This section outlines the progress made by the Department in the achievement of its Strategic objectives. These objectives are set out in the Department's Strategic Plan 2014-19.

2.4.1 PROGRAMME 1: ADMINISTRATION

Purpose

The purpose of the programme is to conduct the overall management and administrative support function to the Office of the MEC and the Department.

Objectives of the programme

To provide advisory, secretarial, administrative and office support service to the MEC, and to render strategic support to the Department in the areas of finance, human resources, procurement, information and communication systems and policy development. It comprises of the following sub programmes:

List of Sub Programmes

- Office of the MEC.
- Management of the Department .
- Corporate Support.
- Departmental Strategy.

Strategic objective: To capacitate the organisation with the required competencies

This section outlines the achievements in respect of the aforementioned strategic objective

Capacitating the Department

In order to develop skills and growth, the Department aims to improve the capacity of employees to enable the department to deliver on its mandate. A total of 1 633 employees were trained on 26 various training courses as per the Work Place Skills Plan.

The Department implemented a Professional Registration Development Programme to provide technical staff with mentorship, training and practical work experience in line with the requirements of the various professional councils e.g. Engineering Council of South Africa (ECSA), South African Council for Professional and Technical Surveyors (PLATO), South African Council for Planners (SACPLAN), South African Council for Project and Construction Management Professions (SACPCMP) and South African Council for the Quantity Surveying Profession (SACQSP). The Department has also advertised 225 vacant posts and filled a total of 104 positions.

Skills Development

Learnerships, apprenticeships, internships and bursaries are the most pivotal intervention to support Government's Mandate to address unemployment. These interventions play a significant role in assisting youth, women and people with disability to up-skill for employment. These aim to improve the skills capacity of individuals by enhancing their career prospects and supporting the department's mandate in building the skills levels in the identified technical areas.

Public Service Sector Education and Training Authority (PSETA) funded 23 Diesel Mechanics apprentices on the Departmental Apprenticeship Programme. The Diesel Mechanics were provided with opportunities for trade test preparation and trade testing. 9 students completed the programme with a trade test certificate.

The Department's Zwartkop training center has trained a total of 542 employees, contractors and National Youth Services (NYS) learners were also trained on 8 various programme's.

The table below outlines the GEYODI skills training breakdown in terms of youth, women and People with Disabilities categories:

Programme	Youth	Women	People with Disabilities
Skills Programmes	664	741	3
Internship and Learnership/ Apprenticeship	77	45	1

Bursaries Awarded by the Department

The Department identified the necessity to have a study assistance scheme to support skills development. It is aimed at enhancing the employability of employees and further contributes to the national skills development strategy of the public sector.

The Department has awarded bursaries to 108 deserving officials to assist them in furthering their studies. Bursaries were given for various career opportunities from information systems, human resources, finance and administration.

A total of 23 bursaries were provided to external students studying towards engineering and transport economics qualifications at various institutions. The aim of this bursary scheme is to assist in providing eligible students with the opportunity to gain a qualification in these critical and scarce skill fields thereby eventually ensuring that the country has the necessary skills required.

Employees Wellness Programme

The Department has appointed an Independent Counselling and Advisory Services (ICAS) to provide employees with counselling services. The programme is aimed at reducing the impact of psycho-social challenges that may result in lower productivity in the workplace. ICAS assist employees in receiving counselling by referring them to the relevant counselling professionals. It also provides 24 hours counselling services to employees and their families.

Ethics, Anti-Fraud and Corruption campaign

One of the major objectives of the Department, in its endeavour to fight fraud and corruption, is to create a corruption free zone. Thus, the Department has launched an anti-fraud and corruption programme. The programme is intended to inculcate strong culture of ethical behaviour and good governance within the public service. It also aims to establish partnerships between government, business, civil society groups and the community at large in a bid to create an administration that is favourable.

In March 2015 the Department launched its anti-fraud and corruption campaign. During the campaign the Department and transport industry representatives committed themselves to fighting fraud and corruption in their respective divisions.

The Department also signed a Memorandum of Understanding (MoU) with South African Insurance Crime Bureau (SAICB) aimed at reducing and combating fraud and corruption at the Driver Learner Testing Centres (DLTCs), privately-owned Vehicle Testing Services (VTSS) and Registration Authorities (RAs).

October Transport Month (OTM) Campaign

October 2014 was utilised to campaign and promote aspects of transport initiatives that include; integrated public transport system as a preferred mode of transport; Road Safety Awareness; Green Transport contributing to clean environment; Transport Road Infrastructure and economic growth legacy initiatives.

The theme for the campaign was: "Transport moving the economy forward." This highlighted transport as a key element to the programmatic realisation of building Gauteng as a globally competitive city region marked by the seamless mobility of goods and people within and across Gauteng.

The programme highlighted Activation of Freight, Road safety inspections, Law enforcement, Public Wellness, HIV campaign, Freight, Driver Fitness Test, driving skills enhancement and the Kasi to Kasi Transport adventure using Public Transport.

The OTM Campaign was hosted/promoted in the following areas:

- City Deep-Transnet Freight Hub,
- Nasrec Metro-plus Express,
- Heidelberg weighbridge,
- Orlando NMT cycle path and Bicycle Empowerment Network Facility,
- City of Tshwane,
- City of Johannesburg and
- Bree Taxi Rank.

The following conferences and summits were held to promote the objectives of the OTM Campaign:

- UATP Conference,
- Swedish Government's visit on Transport matters,
- OTM NMT conference,
- Women in Transport Summit and
- Freight Summit.

Departmental Public Participation Programme

Public Participation Programmes also known as the “Imbizo” are deemed as a communication platform for the public to share their views on the projects implemented by the department. It is also a mechanism that mobilises communities for stronger and active partnerships with government for rapid implementation of the government projects. The Imbizos seeks to re-inforce the accountability to citizens through the continuous engagements.

The department held “Imbizos”/public participation programmes held in Winterveldt, Atteridgeville and Carletonville.

Business Automation processes

In an effort to promote a paperless environment in the Department, four business processes were identified and automated viz. Leave Management, Project Management, Contract Management and application for computer hardware and software (EIDTC). In the financial year under review the Department prioritised the automation of Stock Management which is utilised for monitoring and management of consumables and also Case Management which is the automation of Labour relations services to officials within the Department.

Corporate Governance of ICT (CGICTF) AND Governance of ICT (GCIT)

DPSA has developed a framework for the implementation of CGICTF and GCIT. The purpose of the framework is to elevate IT responsibility and accountability to MECs and HoDs of the departments. This emanate from the realisation that IT is a catalyst in bringing efficiency in the service delivery processes. In compliance with the framework, the Department commenced with the implementation of phase 1 which includes the development of Corporate Governance ICT policy framework, charter and ICT security policy. In phase 1, the ICT Annual Performance Plan was developed.

Strategic objectives

Programme Name: Administration					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
To capacitate the organisation with the required competencies.	Corporate Services				
	Provincial Indicators				
	1 068	780	1 633	+853	Additional training was required for EPWP.
	34	60	80	+20	Additional interns were appointed for engineering services.
To achieve an 80% Customer satisfaction level by 2019.	*	IT automation Situational assessment completed.	IT automation Situational assessment completed.	-	-.
Finance					
Provincial Indicators					
To obtain a Clean Audit annually.	*	Unqualified audit report with reduced matters of non-compliance.	Unqualified audit report with reduced matters of non-compliance.	-	-
Material under-spending of the budget.	*	Tolerable under-expenditure of 3% of the allocated budget.	Tolerable under-expenditure of 3% of the allocated budget.	-	-
* New indicators					

Performance indicators

Programme / Sub-programme: Administration					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
Finance					
Provincial Indicators					
Percentage of tenders awarded within 90 days.	98.5%	100%	77%	23%	Evaluation process took longer than expected due to numerous tender applications received.
Percentage of BBBEE expenditure awarded to HDI's.	54.90%	80%	98.07%	+18.07%	Improved results are due to the benefits of the department's intervention plans around procurement statistics.
Percentage of BBBEE expenditure awarded to Women.	20.47%	30%	20.58%	9.42%	Slowness in updating BBBEE Status
Percentage of BBBEE expenditure awarded to Youth.	10.79%	10%	7.09%	2.91%	to categorise service providers in terms of Preferential Procurement.
Percentage of BBBEE expenditure awarded to PwD.	0.10%	5%	0.09 %	4.91%	PwD companies have also not been responding adequately to service requests from the department.

Changes to planned targets

None

Strategy to overcome areas of under performance

Indicator	Proposed Intervention
Percentage of tenders awarded within 90 days.	The Department will improve on the demand management plan to guide planning for evaluation process. Intervention strategies aligned to preventing underspending will assist in driving the timeous implementation of projects and contribute to the timeous awarding of projects.
Percentage of BBBEE expenditure awarded to HDI's.	The department will be focussing on the development of strategies and policies that will enhance the utilisation of PwD companies, women owned companies and youth empowerment. These strategies will be focussed around supplier development and education on how to complete tender documents and centralised database registration. In addition, the department will be working closely with Gauteng Provincial Treasury in driving support for the Township Economy Revitalisation Programme.
Percentage of BBBEE expenditure awarded to Women.	
Percentage of BBBEE expenditure awarded to Youth.	
Percentage of BBBEE expenditure awarded to PwD.	

Linking performance with budgets

Programme expenditure

Administration	2014/15			2013/2014		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000					
Office of the MEC.	8 015	7 905	110	10 303	6 971	3 332
Management of the Department.	11 983	11 858	125	14 480	10 338	4 142
Corporate Support.	267 986	250 445	17 541	194 589	179 516	15 073
Departmental Strategy.	5 368	1 267	4 101	7 081	961	6 120
TOTAL	293 352	271 476	21 876	226 453	197 786	28 667

As per the table above, the programme underspend in 2013/14 by R28.7 million, which was 13% of the allocated budget; and in 2014/15 by R22 million, which constitutes 7% of the allocated budget. This was an improvement in comparison between the two financial years and this is as a result of the measures introduced by the Department of rigorous expenditure monitoring and review as well as shifting budgets accordingly to ensure that resources are allocated where the spending is happening in line with the Department's plans. The underspending in 2014/15 is mainly as a result of the capital assets in the form of computers, laptops, printers, furniture for new staff etc. that were not purchased. This was impacted by the challenges faced with the filling of posts throughout the Department.

2.4.2 PROGRAMME 2: TRANSPORT INFRASTRUCTURE

Purpose

The purpose of the programme is to provide a balanced equitable road network in the province by promoting accessibility that is sustainable, integrated and environmentally sensitive, which support economic growth and social empowerment.

The programme is aimed at determining the needs for the development of infrastructure, implementing maintenance and construction programmes and providing access to communities to unlock economic potential, as well as promoting community development. The programme consists of four programmes namely:

- Infrastructure Planning.
- Infrastructure Design.
- Construction.
- Maintenance.

Strategic objectives, performance indicators, planned targets and actual achievements

The following section outlines the achievements in respect of the Strategic Objectives as outlines in the 5 year Strategic Plan (2014-19) of the department.

Strategic objective: To design integrated road network that promotes non-motorised transport by 2019

This section outlines the achievements in respect of the aforementioned strategic objective.

INFRASTRUCTURE PLANNING

Gauteng Household Travel Survey

A household travel survey is a tool utilised to survey and analyse the travel behaviour of households by taking into account various factors and indicators such as socio-economic, travel patterns and modal choice. Its aim is to collect information on the travel behaviour and transport challenges of people living within a given transport area/zone. The collected information is subsequently fed into the transport planning process and to assist with transport modelling. A draft Gauteng Household Travel Survey Report was completed in March 2015. The document was circulated to stakeholders for comments. The project will be finalised in the financial year, 2015/16.

Route Determinations

The Strategic Road Network (SRN) addresses the transport and development needs of Gauteng. The purpose is to refine and amend routes for the current Strategic Road Network (SRN) of Gauteng to ensure that it is aligned with the Gauteng Spatial Development Framework. An assessment report for Tambo Springs Freight Hub located in Ekurhuleni Metropolitan Municipality was completed.

Gauteng Freight Logistics Hubs

The Gauteng Province recognised the need to incorporate freight transportation planning into the province's transportation planning process. Freight transport is crucial for the economy of Gauteng and the country as a whole, and influences economic growth and development. It also impacts on transportation cost, which in turn affects operating profit or loss. The role of the Department is to coordinate the Special Infrastructure Project (SIP2) on the KZN Free State Gauteng Development Corridor as identified in the National Development Plan (NDP) from which the following projects originated:

- **Tambo Springs Inland Port**

Tambo Springs Inland Port is strategically located on the Gauteng-KZN corridor. Its development will be in line with the National and Provincial pronouncements. The Township application for re-zoning is under review by Ekurhuleni Metropolitan Municipality (EMM). The draft land use master plan was completed. Designs for K148/N3 Interchange and K146 have commenced with the Environmental Impact Assessment studies in conjunction with Gauteng Department of Agriculture and Rural Development. The design of the K148 and the interchange will be completed in the financial year, 2015/16.

- **City Deep**

The City Deep Freight and Logistics hub established in the 1920s, is one of the most important and strategic facilities in the movement of goods and transfer of goods between transport modes. The development of this hub is a crucial part of the freight management strategy of the province.

The Department is undertaking the transport related infrastructure projects for the freight hub. Firstly, the project entails the extension of Bonsmara road to Heidelberg Road. The preliminary designs and detailed assessment were completed for the extension of Bonsmara road to Heidelberg Road. The relocation of Telkom & City Power services has commenced. The construction of the road will commence in the financial year, 2016/17 once the detailed designs have been completed.

Secondly, in widening of the Rosherville Road and the bridge, the detailed assessment and design report were completed. In respect of the construction of the Cleveland Road Bridge, the structural inspection was completed which indicated that, the bridge will require structural rehabilitation. The detail assessment and design are continuing. On the Extension of Houer Road to Vickers Road the preliminary feasibility designs were completed.

Department hosts the UATP ^{3rd} African Congress

The Department continues to strive for excellence in the transport sector by hosting the UATP's 3rd Congress and Exhibition of African Public Transport, on the theme, Growing Africa through an effective Public Transport, in October 2014, during October Transport Month Campaign. The theme for the conference is in line with the Province's vision of re-industrialising Africa.

The UATP Conference is a platform for Africans to learn how best to re-industrialise the continent and radically transform and modernise the transport system. This is a platform for inter-linkages and forming of partnerships across the continent and beyond and to build world class transport and public transport systems in Africa. The sessions were devoted to different aspects of public transport which were urbanisation and Public Transport policies, mobility costs and Public Transport policies. The Gauteng province session entailed the modal choice and integration of urban transport, green transport and electric bus industry development and rail transport and urban mobility.

As part of the Congress, a two day international training programme was organised by UATP, GDRT and the City of Johannesburg, the theme was "Bus Transport Fundamentals". The training covered various topics including Public Transport policies to achieve sustainable mobility, contractual arrangements between authorities and bus operators, pricing and ticketing, corporate management, service quality management, Public Transport regulation and organisation. 34 officials from GDRT and City of Johannesburg (CoJ) attended the training programme.

INFRASTRUCTURE DESIGN

Completed designs

K54 between old Bronkhorstspuit Road K22 to K69

The K54 road commences at K14 (Cullinan Road) and continues through Mamelodi, crossing the Old Bronkhorstspuit Road, the N4 and R21 Albertina Sisulu Road to the Westrand. The K-route, which is a new road, forms a North South corridor between Tshwane and the Westrand and will contribute to economic growth in the area when it is upgraded as a dual carriageway.

The vast developments in the area East of Mamelodi and the growing urbanisation will inevitably lead to higher travel demand which the existing road network cannot accommodate. Road K54 and the provincial road 2561 will improve mobility and accessibility of the region and will accommodate the additional local traffic. The network indicates that traffic originating in Mamelodi is provided with direct access to road K54. Provincial road 2561 is a dual carriage road between K16 and the rail way line and the last section which links with K54 requires to be upgraded to a dual carriageway. K69, linking Mamelodi to P2-5(K16), is experiencing capacity challenges due to the heavy traffic movements from the Eastern side of Tshwane, through Mamelodi to Kwandebele. The K54 detail design was completed and the road reserve has been proclaimed. The Environmental Impact Assessment (EIA) has been approved.

K46 between PWV5 and Diepsloot/N14

Road K46 is an existing single East –West carriageway road commencing in the vicinity of Fourways ending in Diepsloot (near N14) at the existing dual carriageway road and is also a public transport corridor. This section of K46 had to be designed as a dual carriageway and be extended to a six lane road due to the increase in traffic and to make provision for a dedicated bus lane. The K46 detail design was completed and the Environmental Impact Assessment (EIA) has been approved.

K109 Access to Tembisa

The K109 is a North - South corridor linking Randjesfontein, Olifantsfontein and Ebony Park in the Midrand area. The construction of K109, a section from Dale to Olifantsfontein road (4,8km), will contribute to the modernisation of public transport infrastructure, modernisation of the economy and accelerated social transformation in Midrand. The draft detail design has been completed.

K154 Gauteng Highlands: Grace View Access road to Old Vereeniging Rd (R82 [P1-1])

The K154 is a planned East - West corridor linking the areas of Walkerville, Klipriver, Palm Ridge and Zonkesiswe. The future construction of the road will stimulate improvement of accessibility, support economic growth in the area and accelerate social transformation in the Gauteng Highlands North. The detail design and the Environmental Impact Assessment (EIA) were completed.

The following designs were completed for road rehabilitation:

- D670 light rehabilitation,
- P156/3 light rehabilitation,
- D904 light rehabilitation,
- P243/1 Vereeniging to Balfour (Phase 2),
- P158/2 (N14 light rehabilitation Phase 2,
- P175/1 rehabilitation,
- P46/1 Vereeniging to Alberton Phase 2,
- P241/D405 (R554) Lenasia to Swartkoppies ave Alberton,
- R82 (P1-1) from D405 to P69/1 Eikenhof and
- P66/1 between road P71-1 and road D795.

Heavy Vehicle Simulator (HVS)

The Department together with the CSIR began a research programme to identify alternative and more sustainable road construction materials. At present two types of materials have been identified and tested, namely the Ultra-thin Reinforced Concrete Pavement (UTRCP) and Roller Compacted Concrete (RCC) utilising the Heavy Vehicle Simulator (HVS). The RCC has been utilised to refurbish the entire parking grounds at g-FleeT and has proven to be robust and durable requiring minimal maintenance compared to conventional construction methods. The Department intends a major roll out of RCC technology to provincial road network, starting with D50 and D25 in the Northern corridor.

Ongoing Projects

Freight Management: Tambo Springs Road designs

K148/N3 Tambo Springs Freight hub Intersection

The strategic and operational objectives of the freight hubs and transport infrastructure networks are to construct a world class logistics platform serving the Gauteng region and Southern Africa with a more efficient transportation. The K148 which is also known as the Heidelberg Road crosses the N3 near Heidelberg and forms part of the road network supporting the Tambo Springs Freight Hub. The upgrade of the interchange will contribute towards the freight transportation on the EastRand and inland distribution on the road network of goods between air, land and sea.

The Department and SANRAL has finalised the scope of work and the draft tender documents. The Consulting engineers were appointed.

Emfuleni Local Municipality

K11 between P88/1(R28) (Randfontein Road) to P1/1 (R82) old Vereeniging road

K11 is an East – West corridor linking the areas of Randfontein, Evaton, Sebokeng and Vereeniging in the Sedibeng district municipality. The proposed K11 (P88/1) commences from the existing road P88/1 South- East of N1/19 (Sebokeng Interchange) and is part of the strategic road network. The P88/1 is a single carriage way which ends at N1/19. The road is also within the Maize Belt and is designed to improve accessibility between the WestRand District Municipality and Maize Belt.

The K11 route is protected in terms of the Gauteng Transport Infrastructure Act (Act 8 of 2001). The Department experienced challenges with Eskom proceeding with the construction of a power line within the future K11 route. Eskom objected to the K11 route due to the safety risks.

During further negotiations, Eskom approved in principle the way leave for the section (4km) of the K11-route which is between the power lines, but due to the magnetic field of the power lines and the possible impact on road users and pedestrians the matter is reinvestigated for possible realignment of a section of K11 or relocation of the power lines which will have an impact on the cost of the project. The consulting engineer is proceeding with the design taking into account the possible relocation of the power line.

Rural Development

As part of the broader transformation, modernisation and re-industrialisation the department has embarked on a programme to upgrade all rural gravel roads to all weather roads. The upgrading of rural roads will contribute towards the upliftment of communities in the area and will improve accessibility, mobility and road safety in the areas of Hammanskraal, Winterveldt, Nooitgedacht etc. The designs for rural roads have been completed.

CONSTRUCTION

Completed

K46 Phase 1- (William Nicol)

The objectives of this project was to construct a section of the proposed dual carriageway road K46 in order to improve access to the Diepsloot area and Fourways towards Randburg and also to provide Black Economic Enterprise contractors with a substantial portion of the work, provide training to local and other labourers and to execute the work with a high degree of safety. The major attraction on this roadway is the accessibility to the Monte Casino, Indaba Hotel and the Fourways shopping mall. The dualisation of the road has increased the capacity of the road to accommodate increased traffic flow. Further, the road is inclusive of 1.5m cycle lanes and pedestrian sidewalks which promotes Non-Motorised Transport thereby contributing to the reduction of vehicle usage, carbon emissions and increase in healthier lifestyles. The Department has surfaced 9km (66 600m²) of the road.

K14 (Cullinan Road)

On road K14, 3.3km of single carriageway from the Chris Hani flats towards Cullinan was upgraded. The upgrading of the road increased capacity, safety and accessibility to Cullinan which is a tourism town. This upgrade further supports the economic development activities with regards to the diamond mining industry in the areas. This road seeks to unlock economic development potential associated with the diamond mining and tourism initiatives. The department has surfaced 3.30km (24 420m²) of the road.

Ongoing Projects

P4/1 Nederveen Rd(103) from Leondale Forsdick Rd (554) to Barry Marias Rd (R21)

The objective of the Department is to provide increased capacity for a portion of provincial road P4-1, improve accessibility for future development in the Vosloorus, Leondale and Southern Ekurhuleni areas, provide access from areas South East of the City of Johannesburg as the route forms part of the Strategic Public Transport Network and ensure that emerging contractors execute a substantial portion of the construction work, and the labour content of the work will be maximised in order to enhance job creation, to provide training to emerging contractors and local labourers.

The project involves the construction of Road P4-1 (Nederveen Road) between Van Dyk Road (P58-1) and Diana Road (P140-1) in Ekurhuleni Municipality. The project involves upgrading of an existing single to a dual carriageway. The construction of 16.40km of road, containing asphalt surfacing to act as a supporting and feeder road to the N3.

The contractor has surfaced 12km out of the 16.40km and overall construction work is at 79% and the project will be completed in financial 2015/16. Job opportunities were created for local community members. Small, Medium and Micro Enterprises (SMME's) also had an opportunity to be sub-contractors on the projects. Training was provided for local labourers and sub-contractors. The road will also serve the industrial area Roodekop, residential areas Vosloorus, Leondale, Roodekop, Rondebult and planned future industrial townships. It also forms part of a strategic public transport network providing access from areas South East of the City of Johannesburg. To ease traffic congestion on the N3-Heidelberg, the capacity of vehicles on road P4-1 will be increased. The overall construction works is at 79% and the project will be completed in the financial year 2015/16.

R82 phase 2-Old Vereeniging road between Walkerville and Vereeniging (De Deur)

The objectives of the employer is to increase the capacity of the section of Provincial Road P1-1 between the road D77 Eikenhof and Road D1073 Walkerville, improve the road's geometric standard and road safety, accessibility to Johannesburg, Vereeniging and bordering farms, provide employment and skills development opportunities for the local community targeting women, youth and disabled through the use of labour intensive methods and provision of training local labourers, local SMME's and economic empowerment to BEE contractors.

This project involves the construction of a dual carriageway of road R82/K57 (P1/1) from road D77 Eikenhof to D1073 in Walkerville. The project will provide an alternative link between N1 Johannesburg and Vereeniging including access to existing and future developments around Walkerville; Eikenhoff and De Deur. It also forms part of the Maize Belt. The project is located in the Midvaal Municipality and also act as a feeder road to the N12 Freeway. The total scope involves the dualisation of 4.58km of an existing single carriageway.

PUBLIC TRANSPORT INTEGRATION AND SPECIAL PROJECT

The Department continued with the deployment of Public Transport Intermodal Facilities and Non-Motorised Transport Infrastructure. The objective of construction of Public Transport Intermodal Facilities is to integrate some or all different public transport modes (mainly the minibus-taxi, bus and train modes) in to the public transport system in such a way that these modes support and complement each other and that they operate as a coordinated public transport system, while providing an effective, efficient and affordable service to the user. Concerning Non-Motorised Transport Infrastructure, which is made up of walkways and cycle lanes, the objective is contribute towards urban green economy by reducing carbon emission by encouraging walking and cycling.

The Department lays particular attention on modernisation of public transport through integration of transport modes and systems. By means of working together with the Municipalities and SMME's the Department shares an integral part of inner city regeneration investing in public transport infrastructure in the construction of Public Transport Intermodal Facilities and Non-Motorised Transport Infrastructure. In Financial Year 2015/16 the Department will be constructing the Vereeniging Station Precinct Intermodal Facility in Sedibeng and Roodepoort Station Precinct Intermodal Facility in the City of Johannesburg. Similarly, construction of walkways and cycle lanes will be deployed in Kaalfontein/Ivory Park, City of Johannesburg; Vosloorus, Ekurhuleni Metro Municipality and Westonaria in the West Rand District Municipality. These endeavours contribute towards revitalising economies and linking communities to the economic centre of the Gauteng City Region by means of an efficient and integrated transport system.

Intermodal Facilities

The intermodal facilities are being developed at transfer nodal points mainly at existing railway station precincts. The facilities comprise of properly designed loading canopies, vending stalls, ablution facilities, park and rides and waiting areas. To date, the Department has completed 4 Public Transport Intermodal Facilities, two at each station precincts and the other two at road based transfer nodal points.

Ongoing Project

Roodepoort Intermodal Facility

Roodepoort Intermodal Facility is part of the PRASA Corridor Modernisation Programme. The project is implemented in partnership with PRASA and City of Johannesburg. The facility will improve seamless travel amongst different modes of transport.

The Eastern and Western side was allocated for construction in Roodepoort intermodal Facility by the local municipality. The facility will consist of 64 taxis holding areas and 52 taxi bays. In addition, the facility will have 10 washing and 2 maintenance bays. The layerworks have been completed and columns for canopies have been installed.

Vereeniging Intermodal Facility (Phase 1):

Vereeniging Intermodal Facility is part of the PRASA Corridor Modernisation Programme. The Department entered into an agreement with PRASA and Sedibeng District Municipality towards the development of the station precinct. The project is aimed at upgrading the Vereeniging station into a modern integrated facility. The project consist of two phases; phase 1 was completed which entails the holding area and Phase 2 of the project has commenced with clearing and excavation of Taxido Junction Rank on the Northern side of the station.

Pienaarspoort Intermodal Facility:

In the endeavour to integrate land based public transport, GDRT in partnership with PRASA are implementing the Pienaarspoort Station Precinct Intermodal Facility in the interests of promoting and ensuring a safe, sustainable and efficient public transport system. In the financial year 2015/16 the Department will be finalising the detail designs.

Leratong Regional Intermodal Facility:

GDRT in partnership with PRASA are implementing the Leratong Regional Intermodal Facility in the interests of promoting and ensuring a safe, sustainable and efficient public transport system. The facility will serve as an interchange between various modes of transport and destinations. Overall progress of the project is at 70% of earthworks.

Non-Motorised Transport Infrastructure

The projects entail the construction of 18.4km of walkways and cycle lanes in various locations in Winterveldt and 4km in Bophelong. The Winterveldt project is divided amongst eight local contractors and each apportioned certain number of kilometers.

The Department has completed a total of 41 750m² of non-motorised (cycle lanes and walk ways) transport infrastructure in Lillian Ngoyi, Dube Street and Currie Boulevard Bophelong and COTMM (Winterveldt). In the NMT projects a total of 219 jobs opportunities were created in Ekurhuleni and City of Tshwane Metropolitan Municipalities.

Shovakalula

The subset of the NMT projects inspired the contribution of 3 000 Bicycle in the province were distributed to learners that walk more than 3km allocation was as follows:

- City of Tshwane Metropolitan Municipality – 1 000 bicycles at 20 schools in the Garankuwa area;
- City of Johannesburg Metropolitan Municipality – 500 in 5 schools in Eldorado Park as part of the Premier's Service Delivery Intervention;
- Westrand District Municipality – 1 000 in 10 schools at Bekkersdal under the same Premiers Programme and
- Sedibeng District Municipality– 500 in 8 schools in Emfuleni Local Municipality.

MAINTENANCE

Completed Projects

Heavy rehabilitation of road D1726 (Tarlton road)

The objective of rehabilitating 7.9km of D1726 (Tarlton road) a rural, two lane, single carriageway road, which links the R24 to Randfontein. The road also integrates the new road into the existing infrastructure. The rehabilitation also benefited the community through training and economic empowerment to BEE contractors' employment opportunities and skills development by the use of labour intensive construction methods. The project involved the rehabilitation of 7.9km. The Department has rehabilitated 7.9km of the road.

Light Rehabilitation of 5.66km in road P39/1 from ISCOR Bridge to K71

The project entails the rehabilitation of road P39/1 commencing at the Iscor bridge at 4km ending at intersection K71 at 7.60km (Laudium). This is an alternative North-South carriageway between Pretoria industrial and greater Johannesburg, to the already overloaded N14/N1 freeway. Road P39-1 (Iscor bridge) falls under City of Tshwane Metropolitan Municipality located between two settlement areas i.e. Laudium and Atteridgeville. The Department has surfaced 5.66km. The road has improved accessibility in Laudium and Atteridgeville.

Rehabilitation of 9.56km in Road D1511 between intersection with Dale and Allen Roads D51

The project entails the rehabilitation of the single carriageway link (Modderfontein Road) between Dale Road and Zuurfontein Street and the dual carriageway link (Zuurfontein Street) between Modderfontein and Chloorkop road. The road is located on the North-Eastern edge of Johannesburg, East of the N1. Road D1511 provides an alternative to the N1, N3, and N1/N3 interchange. It also serves as a collector/distributor for the residential areas surrounding the route. The main objective is to rehabilitate road D1511 by recycling short sections, patching, crack sealing, constructing an asphalt overlay and repairing the drainage along the road between Dale Road and Road D51. The Department has rehabilitated 9.56km of the road.

P70/1: Rehabilitation and upgrading of Witkoppen road (P70/1) between Megawatt park and Sunninghill hospital

The P70/1 is being rehabilitated from Main Road P71/1 Eastbound towards Rivonia road for 3.05km. The rehabilitation includes the widening of portions of P70/1 and gravel shoulders. Motorists will benefit from the rehabilitation of the road as it will reduce travelling distance. The objectives was to empower local contractors and provide training to local labourers. The Department has rehabilitated 3.05km of the road.

Ongoing Projects

Rehabilitation of road P6/1 (R25) Kempton Park to Bronkhorstspuit

The project entails the rehabilitation of Road P6/1 (R25) from N4 Bronkhorstspuit to Road P36/1(R51) Bapsfontein, due to the excessive deterioration of the road condition. It is located on the Southern Western fringe of Bronkhorstspuit and Road P6/1 and is a single carriageway provincial road linking Gauteng Province and Limpopo Province in Bronkhorstspuit Municipality.

Progress to date is at 89% with 37km of road surfaced due to challenges in asphalt layer. The project will be completed in financial year 2015/16.

P3/6: Rehabilitation of Road P3/6 (N12) between Gauteng North West boarder (57.56km)and Road P186 (90.78km)

The objective of the project is to rehabilitate Road P186/1 by reconstructing the base and an asphalt overlay, to provide black economic enterprise contractors with a substantial portion of the work, training to local labourers and execute work with a high degree of safety. The project is located South-West of Johannesburg, between P186/1 and the N12 at the border with North West Province. Road P3/6 provides a major route from Johannesburg towards North West Province including Potchefstroom and Klerksdorp, situated in the City of Johannesburg Municipality. It also serves as a collector/distributor for the rural areas and towns along the route. The project entails the rehabilitation of the single carriageway road between the border, P111/1 and the dual carriageway road from P111/1 to P186/1. The progress of the project is at 39.4% with 5.2km of road surfaced. The project will be completed in financial year 2016/17.

P39/1 Rehabilitation of road P39/1 (Erasmia to Krugersdorp)

The project involves the rehabilitation of 23.6km in road P39-1 (Route M26 and sections of routes R511 and R114) situated within the West rand Municipality between Laudium and Diepsloot. The construction commences at the R55(7,5km) , proceeds to R511 until the intersection in R114 (24.0km) and further on route R114 crossing at the N14(28,2km) and ends at 31.040 km at the boundary between the Pretoria and Krugersdorp.

Progress to date is 70% and 8.6km of road have been surfaced due to the concrete channel that had to be constructed to accomodate excessive stormwater. The project will be completed in financial year 2015/16.

The Rehabilitation of Road P186/1(9.54km)

The objective of the project to rehabilitate Road P186/1 by reconstructing the base and constructing an asphalt overlay ,rehabilitation of three interchanges along with the cross roads, provide black economic enterprise contractors with a substantial portion of the work, provide work and training to local and other labourers and to execute the work with a high degree of safety. The project is located south of Johannesburg, between the N1 and Soweto. Road P186/1 provides a link between Gauteng and North West Province. It also serves as a major collector/distributor for the urban areas along the route and southwest of Johannesburg.The project falls under City of Johannesburg municipality. It also serves as collector/distributor for the rural areas and towns along the route. The project progress is at 68% with 9.54km of road surfaced. The project will be completed in financial year 2015/16.

The Department has completed fog sprays in the following regions:

- Benoni (20km),
- Bronkhorstspuit (23km),
- Krugersdorp (29km),
- Pretoria (23km) and
- Vereeniging (18.20km).

Regravelling in Ekurhuleni

- **D781**

The gravel road links R50 Delmas road with R25 (Johannesburg/Bronkhorstspuit road) in Ekurhuleni 7.71km of regravelling was completed to improve the riding quality and drainage structures on the road.

- **D2192**

The gravel road commences from D781 to R25 (Johannesburg/Bronkhorstspuit road) linking the rural areas within the Ekurhuleni area. It is utilised as an access road to industries within the rural development 4.35km of re-gravelling was completed.

Regravelling in Westrand

- **D99**

The gravel road links the rural areas within Westrand and NorthWest Province (R560 Magaliesberg) 11.25km re-gravelling was completed.

- **D94**

The gravel road commences in Krugersdorp region to Sedibeng. It is also utilised as access to the Maize Belt 5km re-gravelling was completed.

Regravelling in Tshwane

- **D755**

The gravel road commences in Erasmia to Atteridgeville and it links the rural areas within Tshwane 8.54km re-gravelling was completed.

- **D781**

The gravel road links R50 Delmas road with R25 (Johannesburg/Bronkhorstspuit road) in Tshwane 7.29km re-gravelling was completed.

Regravelling in Sedibeng

- **D94**

The gravel road commences in Finetown to R59 (Sybrand Van Niekerk, Vereeniging road) linking the rural areas within Sedibeng. It is also utilised as access to Maize Belt 13km re-gravelling was completed.

Regravelling in Bronkhorstspuit

- **D451**

The gravel road commences from Cullinan to R513 Moloto road linking the rural areas within Tshwane. It is also utilised as an access road to Moloto and Tshwane 9.8km re-gravelling was completed.

Routine Maintenance

The programme is responsible for the maintenance of a total road network of 5 637.44km of which 4 248.44km is paved and the remaining 1 389km is gravel. The various activities undertaken over the financial year included routine road maintenance, resealing and rehabilitation of roads and re-gravelling of gravel roads.

Roads Maintenance involves undertaking routine and preventative maintenance of the provincial road infrastructure. It also includes the maintenance of bridges to prevent deterioration. The roads maintenance program focuses on the following key sub-programs namely, routine road maintenance, preventative maintenance, reactive maintenance and specialized road maintenance.

- **Routine road maintenance**

It focuses on activities such as pothole patching, grass cutting, guardrails repairs, fencing, road marking, blading of gravel roads and shoulder repairs. This programme is supported by outsourced routine maintenance contractors and consultants.

- **Preventative road maintenance**

It entails fog spray, reseal, light rehabilitation, heavy rehabilitation and re-gravelling. This programme is supported by the S'hamba Sonke programme which is funded by the Provincial Roads Maintenance Grant (PRMG).

- Reactive road maintenance

It focuses on reacting to non-scheduled roads related repairs and maintenance and therefore respond to road safety related issues, emergencies and day-to-day queries in order to make safe and provide initial temporary repair for safety purposes.

- Specialized road maintenance

The core is on the establishment of borrow pits for gravel material, repairs and maintenance of storm water structures, bridges, traffic lights and street lights maintenance.

NEW FLEETS FOR CONSTRUCTION AND MAINTENANCE

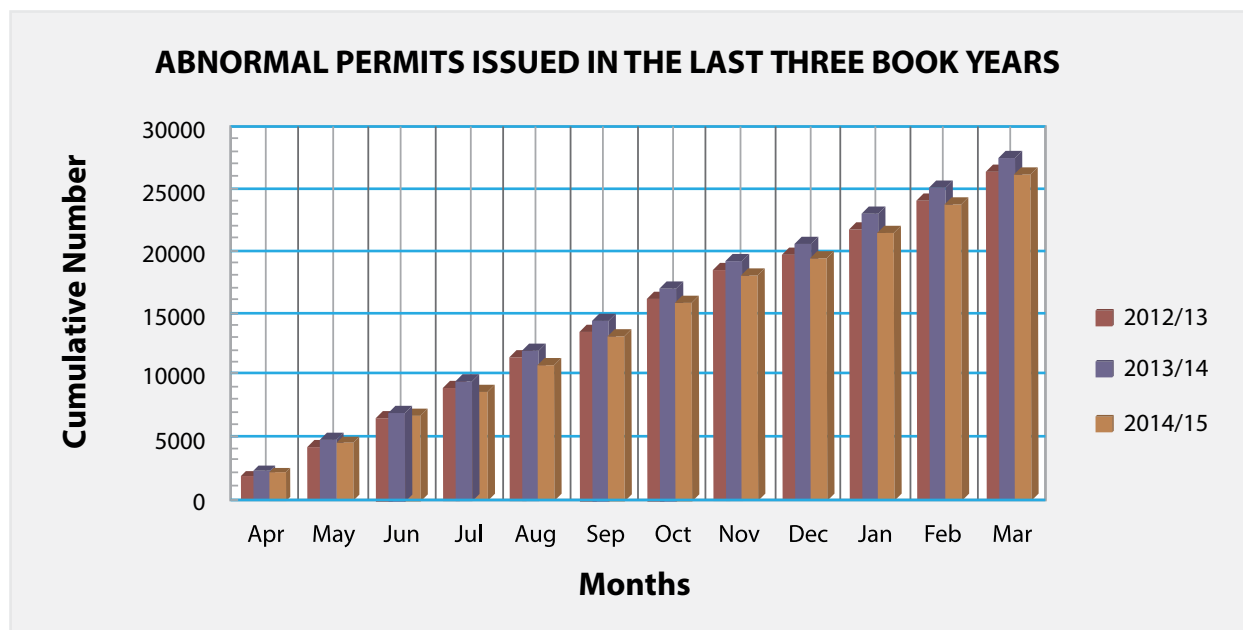
In its endeavours to provide well maintained roads, the Department of Roads and Transport unveiled a new fleet of construction and maintenance at the Koedoespoort regional office. The Department took a strategic decision to rebuild the capacity of the regional office hence the investments in the new Fleets. The initiative was taken to address the complaints from the public about poor services at the Departmental regional office.

TRAFFIC ENGINEERING

Traffic Counts/surveys

The Department monitors utilisation of provincial roads by analysing traffic volumes of the various classes of roads by either electronic counting stations or manual counts. Traffic counts provide information on classes of vehicles and their volumes and is utilised to determine the importance of the planned upgrades and maintenance priorities. There are 28 permanent counting stations and 240 secondary counting stations deployed in the provincial network. Permanent stations are counted on daily bases and secondary stations are counted once a year. Other roads not on the electronic counting station grid are counted manually by 12 hour counts once every 2 years. Manual counts are completed on roads that carries lower volumes and includes gravel roads. Other information pertaining to traffic is also determined through counts such as traffic growth. In addition to this there is also 5 high speed weighing motion stations that continuously monitors overloading occurring on freight routes.

Graph for abnormal loads permits



Gauteng is the hub of economic activity in South Africa and also forms the main artery to all the ports and SADC countries. Gauteng produces the highest vehicle-kilometres for heavy goods vehicles, including the highest number of registered trucks, and the highest fuel sales in the country. There are more than 100 registered industrial areas in Gauteng, many of which are very extensive and are major generators of road freight transport. These industrial areas use road freight transport for coal, steel, cement, consumer-manufactured goods, heavy industrial plant and equipment, steel and concrete structures, ready-mix concrete, retail and wholesale distribution of foodstuff, meat and vegetables.

The transportation of heavy and indivisible loads requires the use of abnormal vehicles on public roads and is in most cases the only possible means of transportation of such plant and equipment from point of manufacture to point of utilisation.

The demand for abnormal load permits are dependent on economic conditions in South Africa and around the Globe where such large commodities are manufactured and traded, the mining industry and power stations are examples of the industries that require abnormal permits. The Department is the provincial regulatory provider for the issuance of abnormal load permits as required by the National Road Traffic Act (Act 93 of 1996), Section 81(2). The issuance of these permits are guided by the Technical Recommendations for Highways (TRH11) and used by all the provinces in South Africa. As a province, Gauteng has the highest road vehicle densities and the regulation and control of these vehicles and loads are particularly important in relation to the safety of the travelling public and the protection of infrastructure whilst supporting economic infrastructure development.

Strategic objectives:

Programme Name: Transport Infrastructure					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
SUB PROGRAMME:DESIGN					
National Indicator					
To design integrate road network that promotes non-motorised transport by 2019.	11 Designs completed.	12 Designs completed.	12 Designs.	-	-
To construct strategic transport infrastructure that integrates non-motorised transport facilities by 2019.	SUB PROGRAMME:CONSTRUCTION				
	Surfaced roads upgraded				
	National Indicators				
	2.61km	91.02m ²	91.020m ²	-	-
To construct strategic transport infrastructure that integrates non-motorised transport facilities by 2019.	Public transport and Special Projects				
	National Indicator				
	0	1 Roodepoort, station precinct	0	1 Roodepoort, station precinct.	Delays in the project are due to contractor experiencing financial difficulties.
	Provincial Indicator				
	2 500m ² SDM 0km (0m ²) COTMM 1km (2 500m ²)	(22.4km) 54 000m ² SDM (4km on Lillian Ngoyi, Dube Street and Currie Boulevard Bophelong) and COTMM (18.4 of 18.4km Winterveldt.	41 750m ²	12 250m ²	The project experienced political violence from the local community members which were caused by service delivery protests.
SUB PROGRAMME: MAINTENANCE					
Surfaced Roads Rehabilitated					
National Indicators					
Preserve the status of the existing road to its original state.	37km	26.17km	26.17km	-	-

Performance indicators

Programme / Sub-programme: Transport Infrastructure					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
SUB PROGRAMME: DESIGN					
National Indicators					
Number of upgrades designs completed.	*	2	2	-	-
Number of rehabilitation designs completed.	*	10	10	-	-
SUB PROGRAMME :CONSTRUCTION					
National Indicators					
Job Creation					
Number of Construction jobs created through the implementation of EPWP principles.	354	120	120	-	-
Youth.	*	66	81	+15	More applications from youth were received.
Women.	*	48	23	25	Fewer applications were received from women.
PwD.	*	2	2	-	-
Public transport Integration and Special Projects					
National Indicators					
Job Creation					
Number of PTI & SP jobs created through the implementation of EPWP principles.	*	260	172	88	Due to incomplete project in Intermodal Facility and NMT, fewer jobs were created.
Youth.	*	104	88	16	Fewer applications were received from Youth.
Women.	*	143	49	94	Fewer applications were received from women.
PwD.	*	5	0	5	No applications were received from People with disability .

SUB PROGRAMME: MAINTENANCE					
Surfaced roads resealed					
National Indicators					
Number of Lane Km's of surfaced roads resealed.	542.85km	113.2km	113.2km	-	-
Re-gravel roads					
Number of kilometres of gravel roads re-gravelled.	30.94km	66.94km	66.94km	-	-
Blacktop patching					
Number of m² of blacktop patching (including pothole repairs).	33 608,62m²	120 000m²	120 000m²	-	-
Roads bladed					
Number of kilometres of gravel roads bladed.	4 629.29km	1 388km	2 338.5km	+950.19	Due to deterioration of the provincial gravel roads, more blading was required than anticipated.
Job Creation					
Number of Maintenance jobs created through the implementation of EPWP.	2 756	2 850	2 850	-	-
Youth.	*	1 140	1 954	+814	More applications were received from youth.
Women.	*	1 568	1 314	254	Fewer applications were received from women.
PwD.	*	57	23	34	Fewer applications were received from People with disability (PwD).
SUB PROGRAMME: MAINTENANCE					
Traffic Engineering					
National Indicators					
Number of weighbridges calibrated to SABS standard.	4	4	4	-	-
Provincial Indicators					
Number of abnormal load permits issued.	27 798	25 000	26 520	+1 520	Received more applications than anticipated.
* New indicators					

Strategy to overcome areas of under performance

Indicator	Proposed Intervention
Number of Construction jobs created through the implementation of EPWP principles (women).	The Department will engage with Councillors to communicate with women.
Number of Public intermodal facilities constructed.	The project will be completed in the next financial year 2015/16.
Number of m2 non-motorised transport infrastructure constructed.	The Department requested interventions from the Municipality through local councillors and other interested parties such as civic organisations.
Number of PTI & SP jobs created through the implementation of EPWP principles.	The Department will engage with Councillors to communicate with the community.
Number of PTI & SP jobs created through the implementation of EPWP principles (Women).	The Department will engage with Councillors to communicate with women.
Number of PTI & SP jobs created through the implementation of EPWP principles (PwD).	The Department will engage with Councilors to communicate with the local people with disabilities.
Number of Maintenance jobs created through the implementation of EPWP (Women).	The Department will engage with Councillors to communicate with women.
Number of Maintenance jobs created through the implementation of EPWP (PwD).	The Department will engage with Councilors to communicate with the local people with disabilities.

Changes to planned targets

None

Linking performance with budgets

Programme expenditure

Transport infrastructure	2014/15			2013/2014		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000					
Infrastructure Planning.	40 092	33 156	6 936	49 049	34 702	14 347
Infrastructure Design.	113 009	98 038	14 971	161 432	129 533	31 899
Construction.	925 025	902 122	22 903	499 568	489 174	10 394
Maintenance.	776 816	782 757	-5 941	1 089 718	1 061 276	28 442
Program Support Infrastructure.	289 614	280 125	9 489	66 606	39 330	27 276
TOTAL	2 144 556	2 096 197	48 359	1 866 373	1 754 014	112 359

The table above indicates that the programme underspend in 2013/14 by R112 million, which was 6% of the allocated budget; and in 2014/15 by only R48 million, which constitutes 2% of the allocated budget. This also meant that the infrastructure allocation was almost fully spent, with the under-spending shifting from over R180 million in 2013/14 to only R273 000 in 2014/15, a significant achievement for the Department. This was made possible as a result of the measures introduced by the Department of rigorous expenditure monitoring and review as well as shifting budgets accordingly to ensure that resources are allocated where the spending is happening in line with the Department's plans. The underspending is therefore as a result of the budget for compensation of employees that was not depleted by the end of the financial year as a result of challenges experienced with OSD.

2.4.3 PROGRAMME 3: TRANSPORT OPERATION

Purpose

The purpose of the programme is to plan, regulate and facilitate the provision of freight and transport services and infrastructure in partnership with national and local government as well as private sector formations. It's sub programme is:

List of Sub Programmes

- Public Transport Services.

Strategic objectives, performance indicators, planned targets and actual achievements.

Strategic objective: To provide province wide commuter public transport subsidy by 2019.

Bus Subsidies

Bus subsidies were introduced to achieve the Department's objective of providing accessible, affordable, reliable and safe Public Transport to commuters. The subsidies are also aimed at relieving commuters of high transport costs.

The Department manages 34 bus subsidy contracts (32 contracts are funded by Public Transport Operations Grant (PTOG) and 2 ceded contracts from North West Province are funded by the Gauteng Department of Roads and Transport). The Bus subsidised contracts have been extended for a period of 3 years from 1st March 2015 to 31st March 2018.

Bus Monitoring Contracts

The Division of Revenue Act requires that all 34 bus contracts should be monitored to ensure clean, reliable, safe and accessible public transport. 34 bus contracts are manually monitored by both departmental internal personnel and external Supervisory Monitoring Firms (SMFs). Supervisory Monitoring Firms are external Monitors appointed by the Department through tendering system to ensure that contracted bus operators comply with contract specifications and conditions. Monitoring reports are submitted to the department on a monthly basis, to ensure that commuters get value for money from utilising public transport.

West Rand Pilot

The West Rand bus subsidy project will achieve the department's objective of providing accessible, affordable, reliable and safe Public Transport to commuters in the Region. The Department has appointed CSIR as a service provider for the Westrand Bus Services to conduct the due diligence study, establishment of a Special Purpose Vehicle (bus operating company) and the design of contract routes. CSIR has commenced consultation process with the West Rand District Municipality and other public transport stakeholders in the Region.

Public Transport Operations Grant (PTOG) Transformation

PTOG Transformation refers to the devolvement of the bus subsidisation function from Province to Municipalities. It includes the formation of business entity to ensure that taxi associations and small bus operators are ready to compete equally with main stream bus companies for contracts. CSIR has been appointed as the service provider to assist with the PTOG transformation.

A number of meetings were held with taxi cooperatives to discuss the following:

- Amendment of the constitution,
- Reduce the number of board of directors,
- Increasing diversity in membership; women, youth, and people with disabilities (PwD) are being accommodated and
- Organisation of an information sharing workshop for members of associations to discuss the new act of 2013 on cooperatives.

Training of Public Transport Operators

The Department is developing the skills of Public Transport Operators to be able to render effective and professional service. The Department facilitated portfolio training for fifteen associations and a total of 242 executive members were reached. During August 2014 training was facilitated by TETA for the twenty taxi drivers in the Western Gauteng Region. Drivers who completed the course received certificates on conveying dangerous goods by road transport, good customer service and safe public transport.

The following are national sector indicator that relate to the administration of the grant. The annual targets are as follows:

Indicators	Annual Target as per revised APP 2014/15 narrative	Actual
Kilometres operated per vehicle.	57 650	38 127
Passengers per vehicle.	2 692 (Non-cumulative)	3 126
Passengers per trip operated.	62 (Non-cumulative);	51,19
Staff per vehicle.	2	2
Number of unsubsidised passengers.	17 306 326	1 175 508

Strategic objectives

Programme Name: Transport Operations					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
SUB PROGRAMME: PUBLIC TRANSPORT SERVICES					
National Indicators					
To provide province-wide commuter public transport subsidy by 2019.	2 582 (Non-cumulative).	2 582 (Non-cumulative).	2 582 (Non-cumulative).	-	-
	3 130 (Non-cumulative).	3 130 (Non-cumulative).	3 130 (Non-cumulative).	-	-
	101 158 240	99 931 969,72	98 443 989	1 487 980.72	Kilometres not operated due to breakdowns caused by old fleet.
	81 853 744	93 511 488	96 884 160	+3 372 672	Increased taxi fares and industrial action by Rea Vaya drivers resulted in more passengers utilising public transport (buses).
	1 313 572	1 780 318	1 893 814	+113 496	Increased taxi fares and industrial action by Rea Vaya drivers resulted in more passengers utilising public transport (buses).

Performance indicators

Programme / Sub-programme: Transport Operations					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
SUB PROGRAMME: PUBLIC TRANSPORT SERVICES					
National Indicators					
Number of buses/vehicle subsidized.	2 582 (Non-cumulative).	2 582 (Non-cumulative).	2 582 (Non-cumulative).	-	-
Number of routes subsidised.	3 130	3 130 (Non-cumulative).	3 130 (Non-cumulative).	-	-
Number of vehicle kilometres subsidised.	101 158 240	99 931 969,72	98 443 989	1 487 980,72	Kilometres not operated due to breakdowns caused by old fleet.

Programme / Sub-programme: Transport Operations					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
Number of subsidised passengers.	81 853 744	93 511 488	96 884 160	+3 372 672	Increased taxi fares and industrial action by Rea Vaya drivers resulted in more passengers utilising public transport (buses).
Number of trips subsidised.	1 313 572	1 780 318	1 893 814	+113 496	Increased taxi fares and industrial action by Rea Vaya drivers resulted in more passengers utilising public transport (buses).

Strategy to overcome areas of under performance

Indicator	Proposed Intervention
Number of vehicle kilometres subsidised.	The Department will introduce seven (7) year negotiated contracts.

Changes to planned targets

None

Linking performance with budgets

Programme expenditure

Transport Operations	2014/15			2013/2014		
	Final	Actual	(Over)/Under	Final	Actual	(Over)/Under
	Appropriation	Expenditure	Expenditure	Appropriation	Expenditure	Expenditure
	R'000					
Public Transport Services Programme	2 022 523	1 974 799	124 697	1 899 125	1 842 137	56 988
Support Operations	18 402	11 869	7 142	13 107	5 229	7 878
TOTAL	2 040 925	1 986 668	131 839	1 912 232	1 847 366	64 866

The table above indicates that the programme underspend in 2013/14 by R64 million and in 2014/15 by R54 million, which both constitute 3% of the allocated budget. As explained previously the infrastructure budget was fully spent as opposed to previous financial years. The underspending is as a result of the PTOG transfers that were not fully processed by the end of the year as well as the budget for compensation of employees that was not depleted by the end of the financial year.

PROGRAMME 4: TRANSPORT REGULATION

Purpose

The purpose of the programme is to plan, facilitate the provision of Learner and Driver Licence, Motor Vehicle fitness and motor vehicle registration and licensing, registration of operating licences and the establishment of TOLABS and the Provincial Regulatory Entity; public and freight transport services and infrastructure in partnership with national and local government as well as private sector formations. The programme consists of the following programmes namely:

- Transport Administration and Licensing.
- Operator License and Permits.

Strategic objectives, performance indicators, planned targets and actual achievements.

Strategic objective: To regulate private and public transport by 2019.

Transport Operating Licensing Administrative Bodies (TOLABs)

TOLABs are one-stop service centres aimed at bringing government services closer to communities and to where people live. They are also established for the purpose of ensuring easy access by operators to these services, fast-track public transport transformation; including decentralising the registration process, thus easing the congestion at the Head Office in central Johannesburg. The TOLABs further remove unnecessary delays and enable public transport operators to simultaneously comply with the law, while at the same time providing an essential service to their clients.

Germiston TOLAB

The construction of the parameter wall at Germiston TOLAB has been completed. The TOLAB will be operationalised in the 2015/16 financial year thereby increasing the department's front line services to the Transport Operators in the Germiston and surrounding areas. Further it will assist in alleviating the congestion and high volumes experienced at the Head Office central TOLAB.

Driver License Testing Centre (DLTC)

The Department has embarked on a turnaround strategy to expand and modernise these frontline service delivery points. The objective of this initiative is to bring service delivery (Driver License Testing Centre and Motor Vehicle Registration Centre) closer to the previously disadvantaged communities by facilitating access to services. The main focus is on a customer centric service orientated approach. The strategy focuses on improving turnaround times, and implementing best practice business processes such as queue management and biometric systems.

The following DLTCs were identified for establishment and upgrading over the Medium Term Expenditure Framework period (MTEF):

Refurbishment of existing DLTCs

Temba

The DLTC is situated in Temba, Tshwane. The objective of the initiative is to upgrade the Temba Registration Authority (DLTC) and to increase the testing capacity in Temba and surrounding areas. The increase in the capacity for the driver license testing centres will thus result in an increase in the number of bookings by residents both from Gauteng and neighbouring provinces, improving customer service delivery. The construction of the test track has been completed. Overall works for the building are at 56% complete. The project will be completed in financial year 2015/16.

Mabopane

The Mabopane Registration Authority (DLTC) is situated in Mabopane, Tshwane. The objective of the initiative is to upgrade the Mabopane Registration Authority (DLTC) and to increase the testing capacity for better service delivery in Mabopane and surrounding areas. The increase in the capacity for the driver license testing centre will thus result in an increase in the number of bookings by residents both from Gauteng and neighbouring provinces, improving customer service delivery. The construction of the test track has been completed. Overall works for the building are at 85% complete. The project will be completed in financial year 2015/16.

Establishment of new Registering Authorities / DLTCs

Kagiso

The building is situated in Kagiso, Mogale City. The purpose of the project is to construct a Registering Authority. This project will benefit the community by improving public service delivery through access of quality service at the community's doorstep. Site establishment has been completed, construction has commenced and overall works are at 29% complete. Construction will be completed in the financial year 2015/16.

Sebokeng

A new centre will be established in Sebokeng Township Zone 10 Extension. The centre aims to bring services (learner, Driver License Services and Motor Vehicle Registration) closer to previously marginalised townships and thereby developing the economy and creating job opportunities for the people of Sebokeng and surrounding areas within Emfuleni Local Municipality. Detailed designs have been completed and construction will commence in the financial year 2015/16.

Learner Driver Support Programme (LDSP)

The programme is aimed at addressing the challenge of poor driver behaviour by instilling a culture of road safety education. The programme provides an opportunity for grade 11 to acquire learners' license as a critical life skill. In the financial year 2014/15, 6 066 school learners were registered for the programme and 2 326 learners' licenses issued.

Furthermore, the department has a partnership with the Gauteng Department of Education (GDE) to roll out the learner driver support programme in schools. The programme has been designed to place more emphasis on road safety education by identifying opportunities to align and integrate road safety efforts in secondary schools with

a massive roll out to all Grade 11 in the province. In this effect, the Gauteng Department of Roads and Transport has entered into a Memorandum of Understanding (MOU) with the Gauteng Department of Education. The GDE through the Gauteng City Region Academy has recruited 250 learners in grade 11 in schools to undergo a driver's training as instructors.

Motor Vehicle License Fees

Tariff review Legislative Context

The National Road Traffic Act (NRTA), 93 of 1996 stipulate that the fees payable in respect of any application or request made, or document issued in terms of this Act, or any other matter referred to in the Act, shall be determined by the MEC of each province. In addition, Treasury Regulation section 7.1.3 requires the accounting officer of an institution to review, at least annually when finalising the budget, all fees, charges or the rates, scales or tariffs of fees and charges that are not or cannot be fixed by any law and that relate to revenue accruing to a revenue fund. To comply with this legislation the MEC promulgated the Motor Vehicle License Fees Regulations, 2013. This legislation was published on 20th December 2013 for implementation on the 1st April 2014. The effect was to increase the fees for 2014/2015 financial year by an average of 7.9%.

The tariff review process

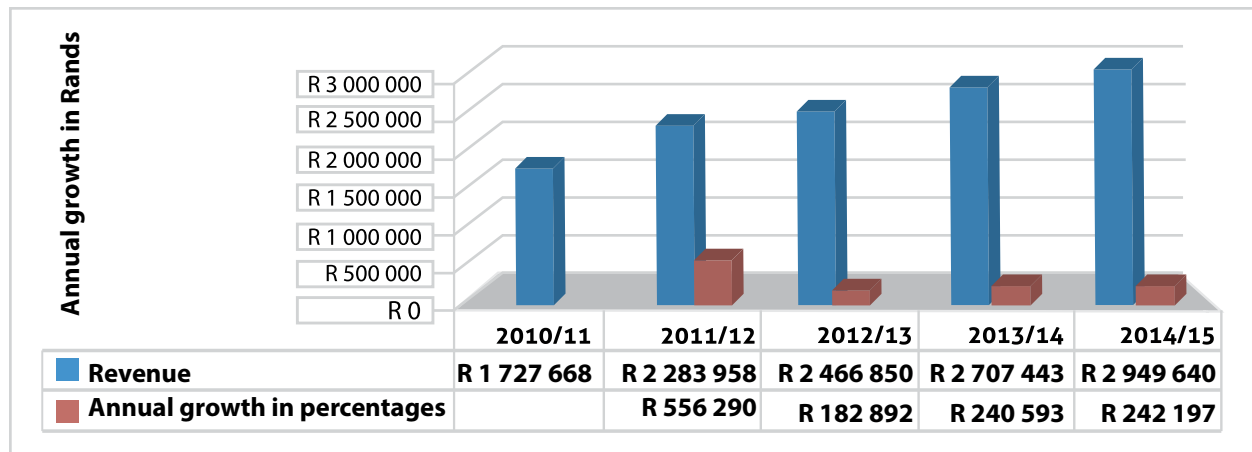
A draft notice detailing the new fees and implementation dates thereof was submitted to the state law advisor for certification. The notice was published in the Provincial Gazette on the 16th August 2013 giving the general public 30 days to comment. The notice was tabled before the legislature on the 8th November 2013 as per the requirements of the Gauteng Scrutiny of Subordinate Legislation Act, 2008 (GSSLA). Approval from Gauteng Scrutiny of Subordinate Legislation Act, 2008 (GSSLA) was received on the 5th December 2013. Publication for implementation was made on the 20th December 2013.

Revenue Maximisation

Gauteng Department of Roads and Transport adopted a revenue maximisation strategy that is driven by four pillars. I.e. cost minimisation, efficient revenue collection (i.e. use of technologies specifically Revenue Information Management System – RIMS) & tariff reviews, stakeholder inclusion and data clean up. The strategy seeks to maximise revenues by focusing on internal efficiencies. The implementation year of the strategy has resulted in the department collecting net revenues of R2 949 billion in 2014/15 financial year period. As can be seen below, there has been a steady progress in the revenues as a result of the strategy.

Description	2010/11	2011/12	2012/13	2013/14	2014/15
	R'000	R'000	R'000	R'000	R'000
Weighted average increase in tariffs.	10%	20%	10%	0%	7.9%
Revenue.	1 727 668	2 283 958	2 466 850	2 707 443	2 949 640
Annual growth in Percentages.		32%	8%	10%	9%

Graphically presented as follows



Operating Licenses

To regulate public transport services and public transport operators to achieve safe and reliable transport, the department has issued a total of 11 214 permits/operating licenses of which 5 046 are for Taxi Recapitalisation Programme (TRP), 5 016 permits under Non-Mini Bus Taxi (NMBT) and 1 152 operating licenses under Non-Mini Bus Taxi (NMBT).

The Department has also converted a total of 3 446 permits to operating licenses of which 2 230 was converted for minibus taxis and 1 216 for non-minibus taxi (NMBT).

Monitoring Route compliance

The purpose of monitoring route compliance is to detect, identify and correct route violations by taxi operators, route violation are the main cause of conflicts. The Department, with the assistance of the law enforcement agencies, is able to enforce operator compliance. In order to enforce the route compliance, illegal public transport operators and formation of taxi rankings, the Department has audited a total number of 729 routes.

Monitoring Routes compliance and Public Transport Safety

The Department in partnership with Ekurhuleni Metropolitan Municipality and Gauteng Department of Community Safety conducted a surprise visits at various taxi rank in East Rand namely the Vosloorus, Reiger Park and Boksburg on the 24th February 2015 to ensure compliance by the operators.

Registration of minibus taxi associations

The condition for the registration is that all associations should have been in existence prior to June 1997 and that the association should have minimum of 30 member operators who have operating licenses issued to a vehicle. All associations are provisional registered and have to qualify for full and final registration once they have met the set condition. The Department has fully registered 30 Minibus taxi associations.

Strategic objectives

Programme Name: Transport Administration and Licensing					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
To regulate private and public transport by 2019.	Transport Administration and Licensing				
	Provincial Indicators				
	0	2 (Temba and Mabopane).	0	2	Delays due to additional works resulting from discrepancies in the construction drawings and water ingress (Temba).

Performance indicators

Programme Name: Transport Administration and Licensing					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
Transport Administration and Licensing					
National Indicators					
Number of compliance inspections conducted.	120	120	120	-	-

Operator License and Permits					
Number of valid operating licenses/ Permits issued to Public Transport Operators.	11 912	8 000	Operating licenses issued under TRP = 5 046 Permits issued = 5 016 operating licenses issued under non-minibus taxi (NMBT) =1 152 Total Permits/operating licenses = 11 214.	+3 483	The increase in actual output is due to the backlog applications being finalised.
Number of permits converted to operating licenses.	2 635	3 500	Permit converted for minibus taxi =2 230 Permit converted for non-minibus taxi (NMBT) =1 216 Total permit conversion = 3 446	46	Delays in the finalisation of permit conversion process are attributed to the constant down time and unavailability of NLTIS.
Number of TOLABs refurbishment	*	Germiston refurbishment	Refurbishment of the TOLAB building and the construction of the parameter was completed	-	-
Registration and Monitoring					
Number of fully registered Mini Bus Taxi associations in the Gauteng Province.	36	30	30	-	-
Number of Audited monitored routes completed.	907	600	729	+129	The Department has monitored registered associations with a large number of routes.

Strategy to overcome areas of under performance

Indicator	Proposed Intervention
Number of existing DLTCs refurbished.	Gauteng Department of Infrastructure Development (DID) as the implementing agent has approved the extension of time for the construction project to be completed by 31 May 2015.
Number of permits converted to operating licenses by 2019.	The Department has requested that the National Department of Transport (NDoT) review the National Land Transport Information System (NLTIS). The Department will ensure that the operators submit outstanding in order for their permits are converted to operating licenses.

Changes to planned targets

None

Linking performance with budgets

Programme expenditure

Transport Regulation	2014/15			2013/2014		
	Final Appropriation	Actual	(Over)/Under	Final Appropriation	Actual	(Over)/Under
		Expenditure	Expenditure		Expenditure	Expenditure
R'000						
Transport Admin & Licensing.	163 966	161 895	-6 124	158 705	165 314	-6 609
Operating Licensing & Permits.	78 869	44 096	42 086	82 781	56 846	25 935
TOTAL	242 835	205 991	35 962	241 486	222 160	19 326

The programme underspend in 2013/14 by R19 million, which was 8% of the allocated budget; and in 2014/15 by R36 million, which constitutes 7% of the allocated budget. The underspending is as a result of the budget for compensation of employees that was not is depleted by the end of the financial year.

GAUTRAIN STRATEGIC OVERVIEW

Strategic Overview

The Gautrain Rapid Rail Link is a state-of-the-art rapid rail network for Gauteng. The rail connection comprises two links, one between Tshwane (Pretoria) and Johannesburg and the other between OR Tambo International Airport and Sandton. Phase 1 of the project, linking Sandton and the airport, was completed prior to the 2010 FIFA World Cup, while the second and final phase, the Johannesburg-Tshwane link, was completed in June 2012. Apart from the four anchor stations on these two links, six other stations are linked by some 80km of rail along the completed route.

The Gautrain Management Agency (GMA) was established in terms of the GMA Act (Act 5 of 2006) to manage the implementation of the project and the relationship with the Concessionaire, Bombela Concession Company (Pty.) Ltd.

The Gautrain is primarily aimed at providing and optimising an integrated, innovative public transport system that enables and promotes the long-term sustainable socio-economic growth of Gauteng. It is also part of a broader vision to industrialise and modernise the region, including a commitment towards creating and sustaining an integrated culture of public transport use.

The strategy of the GMA over the next three years intends to focus on managing, co-ordinating and overseeing both the operation and maintenance of the Gautrain Project and the implementation of the extension of the system to accommodate future demand and new services as identified in the 25 year Integrated Transport Master Plan (ITMP25) for Gauteng. The GMA Board is committed to oversee the strategy by providing direction and oversight regarding matters related to:

- Concession Agreements;
- Project Objectives;
- Management of Assets;
- Management of Finance;
- Corporate Governance;
- Co-operation between governments structures and stakeholders;
- Social-Economic Development (Including BBBEE objectives); and
- Integration of Transport Services.

In the 2014/15 Financial Year, the focus of the GMA was on providing strategic direction and oversight in ensuring that the Gautrain operates in a sustainable manner with clear commitment to governance and in support of Provincial Government's economic and social imperatives.

Overview of the year

Close out of the Development Phase

The Development Phase ended when the full system commenced operations on the 7th June 2012. The Concession Agreement allowed that there could be work items that were not completed at this time and that these would be classified as snag list and retention items. There were less than 60 000 snag list and retention items that were identified at that time. As at the end of 2014/15 seven have not been fully closed out. In some cases responses and actions by third parties is awaited. However the main item on the list is the water ingress in the tunnel section between Park and Marlboro Stations that are outside the specified limits. This water ingress was the subject of a final and binding order by a tribunal of the Arbitration Federation of Southern Africa that the Concessionaire is to apply remedial works to reduce water flows in the tunnel between Park Station and Escape Shaft E2 to the specified levels. The Concessionaire has acknowledged the order and is planning the works, which will take significant time to complete if done under operational conditions. The costs of such works belong entirely to the Concessionaire. The certificate of final completion cannot be issued until all snag list works and retention items are closed out and certified by the Independent Certifier and the Province.

Apart from the Water Ingress Arbitration, several other arbitrations/disputes are in progress, including the Sandton Cavern arbitration, the Land Discrepancies arbitration, the Gauteng Transport Infrastructure Act arbitration and the Delay and Disruption claim. These are all disputes with the Concessionaire. There is also an outstanding dispute with the Independent Certifier who certified that the System was complete notwithstanding that the tunnel water ingress was above specified levels.

Operations Phase

The 2014/15 Financial Year GMA continued increases in the number of passenger trips over the previous reporting period, albeit at a reduced growth rate. The General Passenger Service increased by 10.22% from 2013/14. The Airport Service exhibited the more limited growth expected of a mature system (the Airport Service has been operational since June 2010) and grew at 3.14% in the Financial Year. The overall year-on-year growth was 9.32%. The Dedicated Feeder and Distribution Services (DFDS or Bus services) also saw strong growth of 8.15% year on year notwithstanding four unprotected strikes in the financial year.

In absolute terms, the Gautrain carried 14, 91 million train passengers and 4 930 million bus passengers in the current year. The table below sets this out in detail.

Service Type	Rail			DFDS
	Airport	General Passenger	Total	Bus Total
FY 13/14	1 705 988	11 933 071	13 639 059	4 559 432
FY 14/15	1 757 903	13 152 036	14 909 939	4 930 931
% Change	3.04%	10.22%	9.32%	8.15%

The monthly number of train passenger trips exceeded 1, 4 million in March 2015. The number of daily train passenger trips on weekdays was almost 60 000 by the end of the March 2014.

This was achieved with an operational efficiency provided by the Operator and the Concessionaire that met and exceeded targets of availability and punctuality at an average availability of 99% and an average punctuality of above 97% for all trips scheduled for the financial year 2014/15.

Safety and security targets were also met and exceeded, increasing customer confidence in the Gautrain and in public transport in general.

The safety of passengers and of the System itself remained at excellent levels. Fare evasion was well below the required level and never exceeded 0.05% in any month.

From a Socio-Economic Development (SED) perspective, all targets were met and most were exceeded. The SED performance of the Concessionaire up to the end of March 2015 can be summarised as follows:

- An amount of more than R130 million was spent on procurement from, and sub-contracting to Black Enterprises, compared to an obligation of R59 million. The Project has benefited a total of 84 Black Enterprises from the Operating Period to date.
- More than R80 million was spent on procurement, and sub-contracting to New Black Enterprises, compared to an obligation R54 million. From the Operating Period to date, more than 15 New Black Enterprises have benefited from the Project.
- More than R13 million was spent on procurement, and sub-contracting to Small, Medium and Micro Enterprises (SMMEs), compared to an obligation of R11 million. To date, a total of 50 SMMEs have benefited from the Project.
- South African materials, plant and equipment were produced to a total value of more than R44 million, compared to an obligation of R22 million.
- More than 4 600 local direct jobs were created or sustained, with an estimated total of 16 100 direct, indirect and induced jobs from the Operating Period up to the end of March 2015.

Planning of System Network Extensions and Expansions continued in the 2014/15 financial year.

- The feasibility study for the extension of the Gauteng Rapid Rail Network commenced in accordance with Treasury Regulation 16 and will be completed in the 2015/16 financial year;
- The contract for the extension of the platform at OR Tambo International Airport was awarded;
- The contracts for the provision of additional parking at Rhodesfield, Midrand and Centurion Stations was awarded;
- The contract for the provision of a modernised Automated Fare Collection (AFC) system was awarded that will allow the utilisation of debit and credit cards that are Europay, MasterCard, and Visa (EMV) compliant as well as web based top-ups to the current Gautrain Gold Cards and Near Field Communication (NFC) compatibility on Gautrain fare gates;
- Two additional shuttle services from Marlboro Station commenced;
- Additional train sets were deployed to transport the increased number of passengers travelling in the morning and afternoon peak periods; and
- The business case for the procurement of additional rail cars was completed and financing from the Development Bank of Southern Africa (DBSA) secured.

One of the key performance areas for the GMA was implementing a marketing and communication plan structured to optimise the provision of clear, unbiased and technically correct messages to all stakeholders. The approved strategy includes research, stakeholder communication initiatives, branding, public relations, partnership, marketing and the implementation of focused media and social media campaigns and digital communication. In the financial year 2014/15, the value of traditional media articles was mostly balanced (90%), positive (7%) and negative (3%); the stakeholder perception audit showed the overall reputation rating as 72% which is healthy and the Gautrain's brand value was estimated to be approximately R250 million. Numerous marketing initiatives targeted at potential and current users of the Gautrain were undertaken.

From a corporate social responsibility perspective, initiatives included involvement with schools, old age homes, hospices and other social organisations. The GMA was instrumental in saving and relocating indigenous, exotic trees and plants. It also utilised outdoor advertising for waste material to make handbags and schoolbags.

Various disputes with the Concessionaire have progressed but not reached final resolution. The capacity of the System is under strain given the higher-than-forecast peak period travel patterns and fragile labour relations between the Concessionaire sub-contractors and their employees remain a risk. There were four bus driver strikes within the financial year 2014/15.

Notwithstanding the increased demand, the Patronage Guarantee for the financial year 2014/15 was R1 099 million (cash basis). The introduction of the capacity increases described above and the ongoing marketing of the services remains a priority for the GMA.

The complete report for the Gautrain Project is contained in the Integrated Annual Report of the Gautrain Management Agency, a public entity of the Department of Roads and Transport tasked with managing the project.

2.5. TRANSFER PAYMENTS

2.5.1 Transfer payments, to public entities-

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity (R'000)	Amount spent by the public entity (R'000)	Achievement of the public entity)
Gautrain Management Agency.	The management coordination and oversight of the Gautrain project.	1 311 748	1 311 748	-

2.6. CONDITIONAL GRANTS

2.6.1 Conditional grants and earmarked funds paid

The table below details the conditional grants and earmarked funds received during for the period 1st April 2014 to 31st March 2015.

Public Transport Operations Grant (PTOG)	
Department who transferred the grant .	Department of Transport.
Purpose of the grant.	to provide supplementary funding towards public transport services provided by the department.
Expected outputs of the grant.	Number of vehicles Subsidised.
	Number of kilometers Subsidised.
	Number of trips Subsidised.
	Number of routes Subsidised.
	Number of passengers Subsidised.
Actual outputs achieved.	Number of vehicles Subsidised.
	Number of kilometers Subsidised.
	Number of trips Subsidised.
	Number of routes Subsidised.
	Number of passengers Subsidised.
Amount per amended DORA.	1 819 854 000,00
Amount received	1 819 854 000,00
Reasons if amount as per DORA was not received.	N/A
Amount spent by the department	1 786 647 128,9
Reasons for the funds unspent by the entity.	33 206 871.10 was saved from penalties imposed to the operators due to noncompliance to the contracts.
Reasons for deviations on performance.	Huge number of trips that did not operated (DNOs).
Measures taken to improve performance.	Penalties were imposed to operators as it is stipulated by the contract.
	More funding to increase PTOG and going out on tender or enter into negotiated contracts is the only measure to improve the performance of the operation.
Monitoring mechanism by the receiving department.	External service providers called Supervisory Monitoring Firms (SMFs) are contracted to the Department to monitor the bus operations.

Provincial Roads Maintenance Grant (PRMG)	
Department who transferred the grant .	National Treasury and National Department of Transport.
Purpose of the grant.	Routine, Preventative and periodic maintenance of roads infrastructure.
Expected outputs of the grant.	Maintenance of roads infrastructure.
Actual outputs achieved.	120 000m ² of blacktop batching and 66,94km of re-gravelling.
Amount per amended DORA.	None
Amount received	514 903 000
Reasons if amount as per DORA was not received.	None
Amount spent by the department	514 903 000
Reasons for the funds unspent by the entity.	None
Reasons for deviations on performance.	None
Measures taken to improve performance.	None
Monitoring mechanism by the receiving department.	Technical projects management teams.

Expanded Public Works Programme Infrastructure Grant (EPWP)	
Department who transferred the grant .	National Treasury and National Department of Transport.
Purpose of the grant.	Job creation.
Expected outputs of the grant.	Jobs created.
Actual outputs achieved.	2 850
Amount per amended DORA.	None
Amount received	3 140 000
Reasons if amount as per DORA was not received.	None
Amount spent by the department	2 924 638.03
Reasons for the funds unspent by the entity.	None
Reasons for deviations on performance.	None
Measures taken to improve performance.	None
Monitoring mechanism by the receiving department.	Projects monitoring teams.

2.7. CAPITAL INVESTMENTS

2.7.1 Capital investment, maintenance and asset management plan

Maintenance

- Standard Operation Procedure (SOP) for Maintenance enhancing the departmental code of procedure in ensuring the focus on preventative and routine roads maintenance.
- Contract Policy was implemented in order to enhance project monitoring and management of roads maintenance projects.

Progress made on the maintenance of infrastructure

- Vereeniging and Koedoespoort Regional Offices were maintained during the year under review. Vereeniging Regional Office was completed and Koedoespoort Regional Office is ongoing.
- The Department is continuously working close to fund projects such as William Nicol Phase 2.

Plans to close down/down grade any current facilities:

The Department has an immovable asset portfolio consisting of twenty six (26) facilities, of which twenty one (21) are government owned and five (05) are leased. The immovable asset portfolio is made up of offices, road camps, storage for government vehicles, testing stations and workshops.

During the 2014/15 financial year the department has embarked on a number of different projects to repair and maintain Departmental immovable assets. In adherence to relevant legislation such as the Occupational Health and Safety (OHS) Act and guided by the Government Immovable Asset Management Act (GIAMA) the Department continuously engages in the required processes of updating U-AMP (User Asset Management Plan) and the Departmental immovable asset register. The department does not have any plans to close down or down grade any facility.

Progress made on the maintenance of infrastructure:

During the past financial year the Department has successfully attended to critical maintenance issues at all regional offices in terms of roof leakages and plumbing faults.

Major maintenance projects that have been undertaken during the period under review include:

Successful revamping of Head Office (Sage Life Building) reception area and foyers, this project was undertaken as Head Office reflects the corporate image of the entire Department to internal and external stakeholders; Major refurbishment of Vereeniging Regional Office was successfully completed during the past financial year.

Developments relating to the above that are expected to impact on the department current expenditure

Revamping of the Polly Building to establish a centrally located Departmental Records Management Centre, this project will see the conversion of Polly building to a fully functional Archive Repository in adherence to legislation governing the effective storage and retrieval of Departmental records.

Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft.

The Department's current asset holdings amount to R26 136 168 060.18. This amount comprise mainly of roads, bridges and proclaimed land and the amount R237 133 276.30 of the aforementioned relates to various categories of movable assets. The Department continues in its endeavor to cut costs by reducing expenditure on movable assets and thereby ensuring optimal utilisation of state resources.

The department did not dispose of any assets in the current financial year. The asset to the value of R309 538.08 was written-off due to theft. The case was reported to the South African Police Service.

Measures taken to ensure that the department's asset register remained up-to-date during the period under review

The department embarked on a comprehensive annual verification of assets that involved identification, bar-coding and capturing of assets on the asset register. The enhancement of internal control measures resulted in the department being able to regulate and exercise control over asset purchases. Monthly reconciliations between the asset register and the General Ledger (BAS) are performed and differences are rectified.

Immovable assets are captured on the government IE-Works system as required by the National Department of Public works.

The current state of the department's capital assets, for example what percentage is in good, fair or bad condition?

The result of the function performance assessment (required action by GDRT) in conjunction with the custodian (DID).

- 70% of the department's portfolio of assets requires preventative maintenance;
- 20% of the portfolio of assets required a technical condition assessment and
- 15% requires a detailed feasibility study.

User Asset Management Plan (U-AMP) 2016/17:

The User Asset Management Plan was compiled, verified, coordinated and approved by the HOD. In compliance with GIAMA regulations the DRT submitted the approved U-AMP to Treasury according to the deadline as mandated.

	2014/2015			2013/2014		
Infrastructure projects	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000					
New and replacement assets.	42 788	37 899	4 889	49 418	28 709	20 709
Existing infrastructure assets.	-	-	-	-	-	-
Upgrades and additions.	361 101	373 103	-12 002	530 413	482 205	48 208
Rehabilitation, renovations and refurbishments.	537 698	527 720	9 978	364 528	295 094	69 434
Maintenance and repairs.	704 417	722 587	-18 170	649 135	636 851	12 284
Infrastructure transfer.	-	-	-	-	-	-
Current.	-	-	-	-	-	-
Capital.	-	-	-	-	-	-
Total	1 646 004	1 661 309	-15 305	1 593 494	1 442 859	150 635



PART C:

GOVERNANCE

3.1. INTRODUCTION

Political and economic structures with rules that regulate how society is governed to improve its well-being are cornerstones of governance. Linked to this is how rules or structures affect political action and the prospect of solving societal problems. To this end, governance exists when there is trust, reciprocity, accountability and authority. Trust is a normative consensus on the limits of action present in a political community. Reciprocity is the quality of social interaction among members of a political community. Accountability is the effectiveness with which the governed can exercise influence over their governors. Authority stresses the significance of effective political leadership.

Drawing from the above, the department moved towards institutionalising good governance with the objective of:

- promoting appropriate ethics and values within the organisation,
- ensuring effective organisational performance management and accountability,
- managing risks and control information to appropriate areas of the organisation,
- ensuring effective internal control environment through systems, policies, procedures and processes, and
- Ensuring overall compliance.

This section outlines the department's achievements in institutionalising good governance with particular reference to risk management, fraud prevention, and minimising conflict of interest, code of conduct, internal controls as well as health and environment.

3.2. RISK MANAGEMENT

Risk management approach is to establish and maintain appropriate systems and processes to ensure the effective and efficient managing of risks facing the Department and trading entity. Risk Management assume responsibility for Enterprise Wide Risk.

The following measurements were implemented:

- The Department has the risk management approved policy and strategy which are aligned to the Public Sector Risk management framework.
- Management through co-ordination and facilitation processes performs risk identification, assessment, mitigation and monitoring of all risks facing the Department and its Trading entity to ensure compliance to the PFMA and other related legislature. However, every employee of the Department has the responsibility to manage risks that are identified to ensure that the system of internal control is managed effectively and efficiently.
- The Department does not have a separate Management Risk Committee but leverage on Executive Management meeting to discuss all risks especially those risks that are at unacceptable level and to establish improvement plans.
- On quarterly basis, the Audit Committee which is constitutes of independent members reviews the risk profile and advises the Department on the effectiveness of risk management.
- A slight improvement was noticed in the Department's performance, however, there is still significant work to be done to realise excellent performance.
- In order to realise excellent performance, management contracts will include risk management as one of the key performance areas.

Progress made in addressing risks identified

As per the risk philosophy, only top ten high risks are treated as urgent and should be regularly monitored. The Department therefore identified multiple high risks but prioritised the top ten high risks which had a residual rating of high to be closely monitored. Of the top ten high inherent risks, eight showed a high residual rating i.e. there were no sufficient controls to manage the risks. Recommendations to management of risks were provided for improvement of the control environment. Thru follow ups, the Department has noted a drastically reduction of high residual rating as a result of implementation of recommendations that were agreed upon. This is a reflection of improvement in management of risks. Of the abovementioned eight risks, only two risks have not improved.

3.3. FRAUD PREVENTION PLAN

The fraud prevention plan of the Department has been developed to comply with Section 3.2.1 of the Treasury Regulations to the Public Finance Management Act. The fraud prevention plan of the Department is a dynamic strategy that will continuously evolve as makes changes and improvements in its drive to promote ethics, fight fraud, corruption, theft, maladministration and other acts of misconduct. The fraud prevention plan is reviewed on an annual basis, whilst progress with the implementation of the various components is reviewed on a quarterly basis. In the latter regard, specific priorities stemming from the plan, actions to be taken, responsible persons and feedback dates relating to progress made is also set. The fraud prevention plan is in a draft document format for review and will be finalised in the financial year 2015/16.

- Mechanisms in place to report fraud and corruption and how these operate e.g. Whistle blowing. The need for officials to make confidential disclosure about suspect fraud and corruption.

There are various steps that have been outlined for all employees and members of the public if they decide to “blow the whistle” on genuine concerns. These include disclosing the information to the following:

- Route 1: A legal representative.
- Route 2: Directly to the employer.
- Route 3: Member of the Executive Council.
- Route 4: Specified person or body i.e. Public Service Commission, Public Protector, Auditor-General, etc.
- Route 5: General disclosure to the South African Police Service or a person working for an organisation which monitor the performance of the public service.

GDRT is committed to ensure that any member of staff who makes a disclosure will not be penalised, victimised or harassed for raising a genuine concern. Employees are also encouraged to disclose information and remain anonymous. However, there are instances where alleged cases will not be resolved without revealing the identity of the whistle-blower (for example where employee’s evidence is required in court).

• How these cases are reported and what action is taken

These cases were reported directly to the employer, and through the Office of the Premier (OoP). All the allegations made by “whistle-blowers” will be investigated. Person(s) will be charged and taken through a disciplinary process as a result.

3.4. MINIMISING CONFLICT OF INTEREST

For the financial year 2014-2015 the SMS members submitted their financial disclosures by declaring their registerable financial interest in terms of the Public Service Act which directs them to do so annually.

The function, competency and mandate for financial disclosures are vested with the Public Service Commission (PSC). The PSC must ensure that SMS members comply with the Act to declare their registerable interests annually.

As part of its process, the PSC does the following:

- It communicates directly with Executive Authorities of Government Departments informing them timeously when SMS members must start declaring at the beginning of every financial disclosure cycle and the time deadline for disclosures.
- Executive Authorities must submit the completed financial disclosures to the PSC by no later than the last day of May of every year.
- The PSC assesses the financial disclosures at the end of every yearly cycle, and would submit a list of all disclosures of SMS members which warrant further clarification to the Executive Authority for further follow up.
- The PSC focusses on two key areas, namely, as to whether any SMS member is performing remunerative work outside of the public service using government resources or trading with government.
- In terms of the new Act that prohibits Public Representatives or Civil Servants from trading or doing business with the State the PSC would focus more sharply on SMS members who have companies or directorships or partnerships listed in their name as recorded in the Companies Intellectual Property Commission (CIPC) database.

The Gauteng Regional Commissioner of the PSC, Mr. Michael Seloane had face to face consultations with those SMS members who have companies listed in their name. Even those who had companies registered in their name which were deregistered but these still appear on the CIPC database also had one to one meetings with Commissioner Seloane.

The Department was amongst the few Gauteng Provincial Government (GPG) departments which successfully made the transition from paper filing to e-Filing/e-Disclosure within the prescribed deadline.

The shift to e-Disclosure has empowered the PSC and all other stakeholders in the e-Filing value chain, including SMS members. The shift to e-Filing has eliminated the clumsy and high risk process of working with physical documents which could get lost in the process or which take up a large amount of storage space. It also makes it possible for all who are authorised to access the documents for further processing to do so at any given time or place of their choosing, provided they are physically plugged-in to a government network. Unfortunately, for now, one cannot access the e-Disclosure website via 3G or Wi-Fi.

By e-Disclosing, the Department's SMS members travelled the extra-mile or kilometre to shift government processes closer to achieving e-Government or e-Governance across its entire value chain as needed.

3.5. CODE OF CONDUCT

The Office of the Public Service Commission is mandated in terms of the Constitution to promote a high standard of professional ethics in the Public Service. The Code of Conduct for the Public Service was promulgated in 1997 as an important pillar in the establishment of good governance and ethical conduct of public servants. The ethical principles contained in the Code are applicable to all employees of DRT. The key to integrity in an organisation is "accountability". It is thus expected that all employees accept responsibility for his/her actions. The disciplinary code and procedures prescribes appropriate steps to be taken to resolve disciplinary matters. Labour Relations support the introduction and implementation of disciplinary actions for breach of Code of Conduct. The Department recognises the fact that the consistent and efficient application of disciplinary measures is an integral component of effective fraud and corruption prevention.

3.6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES FOR 2014/15

Facilities Management

- Poor ventilation and overcrowding - May lead to spreading of communicable diseases and employees suffering from sick building syndrome.
- No electrical certificate of compliance - there are no electrical certificates of compliance for all the Departmental Offices.

Hazard Identification Risk Assessment (HIRA)

- Hazard identification risk assessment done conducted- employees were not informed of the hazards and risks related to their nature of work. Employees were not provided with PPE hence were exposed to hazards and risks.

Medical examinations

- No medical examinations conducted for employees working in construction- Employees who are likely to be exposed to hazardous chemical substance did not undergo medical examinations as required by THE Constructions Regulations and Hazardous Chemical Substance Regulations of the OHS Act.

Emergency management

- There were no emergency management plans for all the Departmental offices, meaning Department is not prepared for emergencies. This is a serious contravention with the Municipal bylaws.
- Emergency exits were obstructed by the offices, burglar guards and others were locked. In this case, employees will not be able to evacuate the buildings in case of emergency
- Firefighting equipments were not serviced.

3.7. PORTFOLIO COMMITTEES

Committee	Item/ Resolution	Issues Raised	Departmental Response	Date
Roads and Transport Portfolio Committee.	Adopted Committee Oversight Report On Budget Vote 9: Gauteng Department Of Roads And Transport Of The Appropriation Bill [G003-2014].	Exercise prudent financial and project management to meet targets on all planned projects at all times.	<p>The Department acknowledges the recommendation made by the Roads and Transport Portfolio Committee.</p> <p>Prudent financial management is currently being adopted by the implementation of the following:</p> <ul style="list-style-type: none"> • The department has implemented strong controls over its budget management function which continues to protect the department against any unauthorised expenditure. • Continuous engagements are occurring between the Finance unit and the rest of the department to educate officials on improving financial management and recording keeping. • The department is applying the National Treasury Instruction note on cost containment, during all of its procurement activities. • The procurement of all asset related items are based on needs analysis which first be approved by the asset management unit within the department. <p>In addition, all attempts will be made to ensure the department attains value for money in all projects undertaken and to avoid fruitless and wasteful expenditure.</p> <ul style="list-style-type: none"> ▪ Infrastructure projects will be properly planned over the Medium Term Expenditure Framework (MTEF) and in line with the approved 25 Year Integrated Public Transport Master Plan (ITMP25). These financial plans (budget) must have reasonable cash flow projections from the inception until the end of the project. Project Managers should be coerced to spend in line with the projections or provide sufficient reasons for any deviations, ▪ Over and above the points system the Bid Adjudication (BAC) should approve proposals based on experience and financial viability of the relevant service providers, to avoid situations where contracts will have to be cancelled due to non-performance or liquidation on the part of the service provider. In all projects where the appointed service providers fails to honour their contractual obligations or performed sub-standard work, the Department should immediately blacklist those service providers through the Provincial Treasury, and recall the bank guarantee. ▪ The Department has established a project management unit which will play an oversight role in all key projects undertaken by the Department. This unit will also advise the Head of Department on all potential risk areas and challenges. ▪ Finance should and will hold monthly meetings to review spending in all projects in line with the approved Estimate of Capital Expenditure (ECE). • The newly implemented payment process has thus far ensured valid claims are paid within 15 days on average. This is critical as it assist in ensuring projects are completed timeously and service delivery to the people of Gauteng. 	September 2014.

Committee	Item/ Resolution	Issues Raised	Departmental Response	Date
Roads and Transport Portfolio Committee.	Portfolio Committee's Oversight Report on the Annual Report of The Department of Roads and Transport for 2013/14 Financial Year.	The Department should provide the Committee with a detailed plan to curb under spending in the next financial year(s) by 27 February 2015.	<p>The Department views under-spending in a very serious light and has implemented measures to ensure that this is reduced throughout all the programmes. The department has drafted the following plan over and above the normal intervention protocols which is focused on addressing the key contributors to under-spending identified over the past few years:</p> <ol style="list-style-type: none"> <u>Active monitoring of the departmental procurement plan:</u> <ol style="list-style-type: none"> 1.1. The procurement plan is critical to ensure that all projects that are planned within the approved budget are actioned timeously. 1.2. The supply chain management directorate will be actively monitoring the implementation of this plan and reporting directly to the HoD and MEC for intervention in instances of non-adherence by directorates. 1.3. Large scale projects will be advertised in the year preceding the year of actual implementation. This will ensure that projects commence on time during the financial year. <u>Training of project managers and supply chain management officials</u> <ol style="list-style-type: none"> 2.1. Training is being arranged for project managers on the areas of project and contract management. This will aid in equipping project managers to with the relevant skills to actively monitor projects allowing them to timeously identify and rectify issues of slow and poor performance from appointed contractors. <u>Improvements in areas of project planning</u> <ol style="list-style-type: none"> 3.1. A significant amount of time and effort will be invested in planning projects such that potential challenges around projects are identified and rectified prior to actual implementation. 3.2. During all future budgeting processes, the Department together with Gauteng Provincial Treasury will only allocate funds in relation to projects that can clearly demonstrate a state of readiness for implementation. 3.3. As part of the budgeting process, the Department has also established its own internal budget committee, chaired by the Head of Department and requires directorates to table their budgeting needs and spending patterns in correlation with the Ten Pillars and approved Strategic Plan. This committee will then decide on either approving or denying the directorates requested allocation. <u>Enhanced oversight monitoring from executive authority</u> <ol style="list-style-type: none"> 4.1. All directorates are required to report quarterly to the MEC on their respective expenditure patterns and interventions in the event of slow expenditure. <p>Furthermore, the HoD is provided with monthly expenditure reports from the Finance Branch which allows the HoD to track expenditure progress.</p> 	February 2015.
Roads and Transport Portfolio Committee.	Portfolio Committee's Oversight Report on the Annual Report of The Department of Roads and Transport for 2013/14 Financial Year.	The Department should, at all times, include in their APP projects that have been allocated a budget from Provincial Treasury.	<p>The DLTCs (Kagiso, Mamelodi, Temba and Mabopane) projects were included in the APP with an understanding that the requested budget will be allocated however; when the budget was confirmed, (which is normally after the APP has been signed off), it was very minimal for some projects and other projects had no allocations at all.</p> <p>The Department notes the recommendation by the Oversight Committee and the department will continue to engage Provincial Treasury to ensure that all projects on the APP have budget allocations.</p>	February 2015.

Committee	Item/ Resolution	Issues Raised	Departmental Response	Date																								
Roads and Transport Portfolio Committee	Committee's Oversight Report on the Third Quarterly Report of the DRT, for the 2014/15 Financial Year.	The Department should provide the Committee with a progress report on the measures in place to meet the set procurement targets for, Women and PwDs owned companies	<p>1.1 <u>Background information:</u></p> <p>1.1.1 The Department would like to draw the committee's attention to the fact that all HDI procurement reports presented within the province are compiled by the Gauteng Department of Finance on behalf of all departments. This is due to the fact that all departments within the province utilise a central procurement database when procuring goods and services. The central database is housed and maintained with the vendor management directorate at the Gauteng Department of Finance.</p> <p>1.1.2 When a supplier neglects to provide true or updated information related HDI statistics, the lack of information has a negative impact of distorting procurement statistics as these service providers HDI statistics are not taken into consideration when the Gauteng Department of Finance compiles the procurement statistic reports for the Department.</p> <p>1.2 <u>Progress to date:</u></p> <p>1.1.1. As part of the intervention plan, the department has been conducting regular meetings with the Gauteng Department of Finance's (GDF) vendor management unit on the challenges faced by the Department and proposed interventions. The resolutions taken during these meetings have started to bear fruit in so far making progress in getting the statistics to correlate with actual spending patterns. The improvements are noted in the preliminary procurement statistics for quarter 4 of the financial year end.</p> <p>The preliminary Quarter 4 statistics are as follows:</p> <table><tr><th colspan="4">PROCUREMENT GROUPING</th></tr><tr><th>TARGET GROUPING.</th><th>QUARTERLY TARGETS</th><th>Q4 PRELIMINARY ACTUAL PERCENTAGES</th><th>Q4 PRELIMINARY ACTUAL VALUES</th></tr><tr><td>BBBEE spending.</td><td>80%</td><td>95%</td><td>R436 232 834,00</td></tr><tr><td>Black woman.</td><td>30%</td><td>13%</td><td>R60 968 546,00</td></tr><tr><td>Youth.</td><td>10%</td><td>5%</td><td>R30 373 934,00</td></tr><tr><td>PWD.</td><td>5%</td><td>0.43%</td><td>R926 910,00</td></tr></table> <p>1.1.2. GDF has identified a dedicated official that works closely with DRT officials on all vendor related issues,</p> <p>1.1.3. When DRT awards tenders, BBBEE certificates are immediately forwarded immediately to the dedicated official at GDF for database updating if applicable,</p> <p>1.1.4. DRT officials act as liaison officers between the GDF and the service providers to assist with forwarding updated original TCC and original or certified BEE certificate to GDF,</p> <p>1.1.5. Monthly meetings and monthly update reports are being conducted to track progress on implementation,</p> <p>1.1.6. GDF has already activated the township supplier database which will drive procurement in the province in line with the Premier's drive on township revitalisation.</p> <p>1.2. For the forthcoming financial year, the department will be focussing on the development of strategies and policies that will enhance the use of PwD companies, women owned companies and youth empowerment.</p>	PROCUREMENT GROUPING				TARGET GROUPING.	QUARTERLY TARGETS	Q4 PRELIMINARY ACTUAL PERCENTAGES	Q4 PRELIMINARY ACTUAL VALUES	BBBEE spending.	80%	95%	R436 232 834,00	Black woman.	30%	13%	R60 968 546,00	Youth.	10%	5%	R30 373 934,00	PWD.	5%	0.43%	R926 910,00	March 2015.
PROCUREMENT GROUPING																												
TARGET GROUPING.	QUARTERLY TARGETS	Q4 PRELIMINARY ACTUAL PERCENTAGES	Q4 PRELIMINARY ACTUAL VALUES																									
BBBEE spending.	80%	95%	R436 232 834,00																									
Black woman.	30%	13%	R60 968 546,00																									
Youth.	10%	5%	R30 373 934,00																									
PWD.	5%	0.43%	R926 910,00																									

Committee	Item/ Resolution	Issues Raised	Departmental Response	Date
			<p>1.3. The Gauteng Department of Finance's vendor management unit, which is responsible for the maintenance and up keep of the provincial supplier database is also on a drive requesting service providers to provide the following key information that will enhance procurement statistics:</p> <ul style="list-style-type: none"> • Updated Valid BBBEE certificate • Updated supplier information, e.g. Physical address, etc • Updated original Tax Clearance certificate. 	
SCOPA Resolutions/ Questions.	Report Of The Auditor-General To The Gauteng Provincial Legislature On The Financial Statements And Performance Information Of The Department Of Roads And Transport For The Year Ended 31March2014.	Have all members of the senior management structure, including the HOD, signed a performance management agreement and have such agreements been duly filed with the PSC where applicable?	<p>With the exception of three managers, a total of 49 senior managers had signed their 2013/14 performance agreements for financial year.</p> <p>a. If not, provide reasons:</p> <ul style="list-style-type: none"> • Ms L Buthelezi is on the Departmental payroll, but works for the Gautrain Management Agency; • Ms KM Legate had been seconded to Public Regulatory Entity (PRE) and her manager did not sign the agreement; and • Mr MK Mathabathe had been seconded to PRE and his manager did not sign the agreement. • The remaining eight members are accounted for in the g-Fleet report. 	October 2014.
		Having noted in a number of departments and entities that there was incorrect classification of operating leases as finance leases, is the department satisfied that all leases are now correctly classified?	<p>The Department regularly performs an assessment of all active lease agreements and is satisfied that all lease agreements are properly classified and disclosed in line with the relevant accounting standards. It is also important to note that no findings were made by the Auditor-General on this aspect during the 2012/13 and 2013/14 financial years. The Department only recognises finance leases in respect of photocopiers; lease of vehicles from g-Fleet Management Agency, and cell phones.</p>	October 2014.

Committee	Item/ Resolution	Issues Raised	Departmental Response	Date
SCOPA Resolutions/ Questions.	Report Of The Auditor-General To The Gauteng Provincial Legislature On The Financial Statements And Performance Information Of The Department Of Roads And Transport For The Year Ended 31 st March 2014.	Consequent to the lack of condonation of unauthorized expenditure from prior years, has the department or any other institution with the provincial government instituted a review of systems and procedures to prevent or minimize such unauthorized expenditure? If yes, please give details. If not, why not?	<p>Yes. The Department through its internal review of systems and procedures undertook the following changes that prevented it from incurring any unauthorized expenditure:</p> <ul style="list-style-type: none"> • The Department automated all its payment processes to ensure all payments made are in line with the approved Supply Chain Management policy, but also to ensure budgets are not haphazardly exceeded. • Prior to any service being procured, the requesting Directorate must first confirm and provide proof of budget availability. • The Department undertakes to strictly implement projects that are part of the departmental demand management plan (unless otherwise motivated and supported with proof of budget availability), which are prepared at the beginning of the financial year and in line with the approved funding on Budget Statement 3 (Estimate of Capital Expenditure). • In-year monitoring reports and infrastructure monitoring reports are prepared on monthly basis to track expenditure per programme and project level. This provides project managers key information relating to expenditure trends and affords them the opportunity to implement appropriate corrective action in the event of possible over expenditure of the approved budget. <p>It must be noted that the Department has not incurred any unauthorised expenditure over the last two financial years.</p>	October 2014.
		How does the Department ensure that documents are readily available for auditing purposes?	<p>The Department acknowledges that the timeous availability of documents for auditing purposes remains a challenge for the department. However, it has made significant strides in attempting to resolve this challenge. For example,</p> <ul style="list-style-type: none"> • The Financial Accounting Directorate maintains its own storage room, which stores all information pertaining to payments, manual journals, travel and subsistence claims; • The Supply Chain Management Directorate has recently established its own storage room, which stores all information relating to tenders and three (3) quote purchases; and • The Department has also identified other departmental operational sites that are being converted into storage warehouses that will store all relevant documentation. • Information pertaining to payments, manual journals, travel and subsistence claims, receipts and used face value books are properly stored in relevant storages within the department. 	October 2014.

Committee	Item/ Resolution	Issues Raised	Departmental Response	Date
		What is the status of record keeping by the Department in terms of the National Archives and Record Service of South Africa Act, no 43 of 1996?	<p>The Department has an in-house Registry Unit that is responsible for the up-keep of files for all business units and has put in place control measures to ensure easy retrieval of files. Furthermore, the Department has established a Records Management Centre that will house all records as per Legislative requirements.</p> <ul style="list-style-type: none"> • In so far as the legislative requirements set out in NARSA for the governmental bodies to adhere to, in order to support financial and performance reporting, the status is as follows: • The Department has appointed an interim Records Manager whose designation is to ensure the implementation and maintenance of sound records management practices; • The Records Management Policy has been developed in line with the guidelines from the National Archives and is in the process of being reviewed and approved by the Provincial Archives; and 	October 2014.
			<ul style="list-style-type: none"> • Two Departmental File Plans have been disposed as per National Archives and Record Service of South Africa Act and certificate has been issued in this regard. The Department has developed a new File Plan in line with the current Organizational Structure and has been submitted to the Provincial Archives for review and approval. 	
		Explain to the committee why there was material under spending of the budget on Programme 1: Administration to the value of R28 667 000.	<p>The under-spending of R28 667 000 within this programme was attributable largely to the following:</p> <ul style="list-style-type: none"> • Compensation of employees: (R22 485 000) <p>The total budget for compensation of employees as allocated by the Provincial Treasury was for the Department to fill the approved organisational structure in a phased-in approach, which focussed primarily on the filling of critical positions that impact on service delivery. The Department has been very careful in the manner in which the posts were advertised and filled to ensure that there was no over-spending in relation to compensation of employees. However, even though the recruitment of staff within the Department had been proceeding well, delays on the part of the State Security Agency in conducting security and clearance verification had impacted negatively on planned expenditure.</p> <ul style="list-style-type: none"> • Machinery and equipment (R2 071 000) <p>The budget allocated under the machinery and equipment line item was in respect of the procurement of computers and furniture for new officials once appointed. This budget was, however, not fully utilised due to the delays in the recruitment process as outlined above.</p> <ul style="list-style-type: none"> • Households (R2 067 000) <p>The household's line item is utilised for injuries on duty as well as leave claims that are made by staff members that are no longer within the employ of the Department. The actual claims in respect of the items as listed above were less than initial anticipated, hence the saving.</p>	October 2014.

Committee	Item/ Resolution	Issues Raised	Departmental Response	Date
		In respect of the material under-spending of the budget, how did it impact on service delivery in each of the programmes?	<p>The under-spending which occurred in Programme 1 is under the budget line item Compensation which is not utilised for project implementation and planned target deliverables. Therefore, under-spending in Programme 1 did not impact negatively on the achievement of targets in Programme 1.</p> <p>In Programme 2 and 3 the under-spending was mainly due to late procurement. The Department's employment targets were affected and projects delivered late. Others were rolled over into the current financial year.</p> <p>The under spending in Programme 4 was as a result of delayed planning. The projects are on track but will not be completed as originally scheduled. Only the DLTC in Mamelodi was stopped due to the unsuitability of land identified by the municipality. Department is currently looking for an alternative site in Tshwane.</p>	October 2014.
		Why are there no appropriate systems to support the reporting of performance information despite the guarantee by the Department to enhance control measures pertaining to performance target management?	<p>The Department has institutionalized its monitoring and evaluation systems which are aligned to national and provincial policies, legislative prescripts and frameworks to support the reporting of performance information. Internal controls have been implemented as per the legislative prescripts, policies and frameworks which are monitored for compliance and accountability. Monthly and quarterly performance of predetermined objectives is monitored and reported at various levels of management to support internal controls and strengthen accountability. Evidence based monitoring and reporting is conducted to strengthen performance management and reporting.</p> <p>However, the Department acknowledges that due to shortage of capacity and technical skilled staff turnover, which in turn resulted in inadequate implementation and/or non-conformity to the evidence based performance management processes, has negatively impacted on the Department's performance management system.</p>	October 2014.
		What action is being taken to rectify this matter?	<p>The gaps that have been identified in the implementation of the performance monitoring and reporting systems have been addressed to ensure there is adherence to the system. The Department is committed to improving its performance delivery and has taken the following steps to rectify the shortcomings identified:</p> <ul style="list-style-type: none"> • Capacity and accountability is being strengthened across all levels of the organization. • Internal controls and compliance thereof is monitored. • Monthly and quarterly performance of predetermined objectives is monitored and reported. • Evidence based monitoring has been strengthened to support systems and processes towards a clean audit. • Periodic reporting of performance analysis is under-taken and interventions implemented for performance improvement. • Adherence to internal controls and policies are tracked to ensure compliance. • Internal audits of pre-determined objectives are conducted to monitor compliance to legislative prescripts. • The introduction of the Enterprise Programme Management system which is an automated project management and reporting system will also support and enhance internal controls and performance management within the department. 	October 2014.

3.8. SCOPA RESOLUTIONS FOR 2014/15 FINANCIAL YEAR

RESOLUTION NO.	RESOLUTION	DETAILS	RESPONSE BY DEPARTMENT	RESOLVED (YES/NO)
5.1.1.2	The MEC provides the Committee with a progress report detailing the effectiveness of measures put in place in addressing matters related to underspending within 30 days after adoption hereof and a quarterly progress report continuing up until the end of 2015/2016 financial year.	The Committee is concerned that, despite assurances by the Department that a plan of action had been put in place to avoid challenges relating to underspending, the finding is still recurring.	<p><u>Response:</u></p> <p>The Department views under-spending in a very serious light and has implemented measures to ensure that underspending is reduced throughout all the programmes. The Department had drafted the plan over and above the normal intervention protocols which focused on addressing the key contributors to underspending identified over the past few years.</p> <p>The reason for the major under-spending is the Department's inability to fully spend its allocated compensation for employee's budget as a result of not filling vacant posts. The Department has made significant efforts in attempting to fill these key positions. However, these efforts at present have not proven successful largely due to the OSD constraints.</p> <p>As a result of these interventions, the Department currently shows an underspending of 3% for the 2014/2015 financial year. Overall underspending was approximately R161 million.</p>	<p>Yes</p> <p>It must however, be noted that for the 2014/15 financial year the Department achieved a 99.98% spend on its infrastructure budget.</p>
5.3.1	The Department provides the Committee with a progress report on the mechanisms and systems put in place to prevent recurrence of re-statements within 30 days of adoption hereof.	The Committee noted that the corresponding figures for 31 st March 2013 have been restated as a result of an error discovered during the 2013/2014 financial year.	<p>The outlined action plans and processes were diligently carried out and finalised in the month of May 2015. Consequently the Department had a credible fixed asset register which consisted of immovable structures which were physically verified and in some instance fair valued.</p> <p>Based on the physical verification process additional structures were transferred to other organs of state in line with the proclamation letters. This entire process together with conditional assessment led to a further restatement of the opening balance by a net amount of R179, 501,000.00.</p>	<p>Yes</p> <p>The Department is pleased to indicate that during the 2014/15 audit process no material misstatements were identified on the submitted annual financial statements. The Department will continue to prepare monthly interim financial statements to strengthen the internal controls and avoid misstatements.</p>

RESOLUTION NO.	RESOLUTION	DETAILS	RESPONSE BY DEPARTMENT	RESOLVED (YES/NO)
5.4.1.1	The Department submits to the Committee a progress report outlining its progress in addressing the problems relating to predetermined objectives and a progress report continuing up until the end of the 2015/2016 financial year.	<p><u>Predetermined objectives</u></p> <p>The Committee is concerned that despite assurances by the Department that proactive systems and/or control mechanisms would be put in place to prevent the weaknesses in predetermined objectives, the finding has recurred.</p>	<p>The findings on the aforementioned predetermined objectives were related to national sector indicators which are set at a national level and all provincial departments are required to report against these indicators.</p> <p>In response to these challenges the Department engaged with the National Department of Transport at a sector level to discuss and refine the customised sector indicators to ensure that the sector indicators are realistic and relevant to the outcomes of the sector. The sector indicators were refined in the 2014/15 financial year and are being implemented in the 2015/16 financial year.</p>	<p>Yes</p> <p>Systems and processes implemented are being further refined to monitor, collate and verify the required source information to the reported information.</p> <p>Secondly the Department has put in place relevant capacity and performance accountability systems to ensure that the findings do not re-occur.</p>
5.2.1.1	The Department provides the Committee with a progress report on the effectiveness of measures put in place to prevent recurrence of non-compliance with Section 40(1)(a) of the PFMA within 30 days of adoption hereof and a quarterly progress report continuing up until the end of the 2015/2016 financial year.	<p><u>Annual Financial Statements</u></p> <p>The Committee noted with concern that the Department has a perpetual issue in that the financial statements submitted for auditing were not prepared in all material respects in accordance with requirements of Section 40(1)(a) of the PFMA.</p>	<p>During the current financial year, the finance directorate has in coordination with the relevant directorates been intensely reviewing all key disclosure notes thereby ensuring that each disclosure is adequately supported by applicable information.</p> <p>Monthly and quarterly financial statements have been prepared and thoroughly reviewed to detect and prevent errors. Monthly financial statements for the preceding three (3) months were submitted to both the Chief Financial Officer and Accounting Officer for review and approval respectively.</p> <p>The Department developed and adopted a policy which will guide the process of preparing financial statements. The policy is aimed at enhancing compliance with laws and regulations.</p> <p>All supporting schedules for the purposes of the annual financial statements will be approved by the relevant Deputy-Director General to ensure completeness and accuracy.</p> <p>The Head of Department has been effectively communicating the need for officials to apply due diligence in their daily responsibilities at the same time informing officials of the implications of consequence management.</p>	<p>Yes</p> <p>As part of the review process of all Senior Managers' performance contracts, key deliverables that are aligned to overall audit outcomes will be included in performance contracts of the respective Senior Managers.</p>

3.9. INTERNAL AUDIT AND AUDIT COMMITTEES

Objective of Internal Audit

Gauteng Audit Services (GAS) provides internal audit services to all GPG Departments. The objective of GAS is to promote sound corporate governance in the province through ensuring an effective internal control environment.

Key Activities of Internal Audit

Risk based Internal Audit Plans were developed by GAS and approved by the respective Departmental Audit Committees which exercise oversight over the activities of GAS.

GAS performs independent evaluations of internal control systems, governance and risk management processes and makes recommendations on their continuous improvement, in order to provide reasonable assurance that the GPG Departmental objectives will be achieved.

Summary of Audit Work Done

The following is a summary of audit work that was done for the Gauteng Department of Roads and Transport:

- 20 Risk, Compliance, Performance and Computer audits;
- Information Technology Risk Assessment; and
- During the last quarter of the 2014/15 financial year, Gauteng Audit Services presented the risk-based three year rolling internal audit plans for the Gauteng Department of Roads and Transport to the Audit Committee, having discussed it with the Accounting Officer. The internal audit plans were then approved by the audit committees for implementation from 1 April 2014.

A). AUDIT COMMITTEE

	Name	Qualifications	Internal or external member	If internal, position in the department	Date appointed	Date resigned	No of meetings attended
Cluster 04 & 5 Audit Committee Members.	Lorraine Francois	<ul style="list-style-type: none"> • B.Com. • MBA. • Certified Internal Auditor • Post Graduate Certificate in Accounting. 	External.	-	1st October 2009	Current	06
	Wayne Poggenpoel	<ul style="list-style-type: none"> • M.Phil (Internal Auditing). • National Higher Diploma Internal Auditing. • National Diploma Internal Auditing. • Certified Internal Auditor • Certificate in Control Self-Assessment. • Certified Equities Trader. • Certified Government Audit Professional. 	External.	-	1st October 2014 for Cluster 04 & 05	Current	05
	Janice Meissner	<ul style="list-style-type: none"> • Chartered Accountant (SA). • B.Com. • B.Com. Honours. 	External.	-	1st October 2014	Current October 2014	05
	Masaccha Mbonambi	<ul style="list-style-type: none"> • B. Accounting. • B.Com. Honours. • Certificate in Board Governance. 	External.	-	1st October 2012 for Cluster 04	Previous Member transferred from Cluster 04 to Cluster 01 with effect from 01 October 2014	01

3.10. AUDIT COMMITTEE REPORT

GAUTENG PROVINCIAL GOVERNMENT (GPG)

Report of the Audit Committee – Cluster 04

Gauteng Department of Road and Transport

We are pleased to present our report for the financial year ended 31 March 2015.

Audit Committee and Attendance

The Audit Committee consists of the external Members listed hereunder and is required to meet a minimum of at least two times per annum as per provisions of the Public Finance Management Act (PFMA). In terms of the approved Terms of Reference (GPG Audit Committee Charter), six meetings were held during the current year, i.e. four meetings to consider the Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor-General of South Africa's (AGSA) Audit and Management Reports.

Non-Executive Members

Name of Member	Number of Meetings Attended
Ms. Lorraine Francois	06
Mr. Wayne Poggenpoel	05
Ms. Janice Meissner	05
Ms. Masaccha Mbonambi	01 (Transferred to Cluster 01)

Executive Members

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

Compulsory Attendees	Number of Meetings Attended
Mr. Ronald Swartz (Accounting Officer)	04
Ms. Sanele Zondo (Chief Financial Officer)	04
Ms. Delicia Kgage (Chief Risk Officer)	02

The Audit Committee noted that the Accounting Officer did not attend all six scheduled Audit Committee meetings but was represented by a duly authorised official. Therefore, the Audit Committee is satisfied that the Department adhered to the provisions of the GPG Audit Committee Charter in relation to ensuring that there is proper representation for the Accounting Officer.

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

Audit Committee Responsibility

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

The effectiveness of internal control and Information and Communication Technology (ICT) Governance

The Audit Committee has observed that the overall control environment of the Department has continued to improve during the year under review. Some deficiencies in the system of internal control and deviations were reported in the Internal Audit Reports.

The Audit Committee also reviewed the progress with respect to the ICT Governance in line with the ICT Framework issued by the Department of Public Services and Administration. Although there were some significant progress on the ICT internal control, the Audit Committee report its dissatisfaction with minimal progress made with the implementation of the Disaster Recovery Plan and the Business Continuity Plan. This continued to be a high risk for the Department. The ICT Steering Committee did not meet frequently.

Not all the recommendations by the Audit Committee were timeously implemented.

Internal Audit

The Audit Committee is satisfied that the Internal Audit plan represents a clear alignment with the key risks, has adequate information systems coverage, and a good balance across the different categories of audits, i.e. risk-based, mandatory, performance, computer and follow-up audits.

The Audit Committee has noted considerable improvement in the communication between the Executive Management, the AGSA and the Internal Audit Function, which has strengthened the Corporate Governance initiatives within the Department.

The Audit Committee wishes to stress that in order for the Internal Audit Function to operate at optimal level as expected by the Audit Committee, the shortage in human resources and skills should be addressed.

Risk Management

Progress on the departmental risk management was reported to the Audit Committee on a quarterly basis. The Audit Committee is not satisfied that the actual management of risk is receiving attention and very little improvement occurred during the period under review. Management should take full responsibility for the entire Enterprise Risk Management process and support the Chief Risk Officer to even further enhance the performance of the Department.

Forensic Investigations

There are a number of investigations based on allegations of procurement irregularities; financial misconduct and theft, which are being investigated by the Department. These investigations were in progress at the date of reporting.

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

The Audit Committee is satisfied with the content and quality of financial and non-financial quarterly reports prepared and submitted by the Accounting Officer of the Department during the year under review and confirms that the reports were in compliance with the statutory reporting framework.

Evaluation of Annual Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the AGSA and the Accounting Officer;
- Reviewed the Audit Report of the AGSA;
- Reviewed the AGSA's Management Report and Management's response thereto;
- Reviewed the Department's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs with and accepts the AGSA's conclusions 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 AGSA.

One-on-One Meeting with the Accounting Officer

The Audit Committee has met with the Accounting Officer for the Department to discuss any matter of importance that the Audit Committee needed to be aware of and possibly have provided advice.

One-on-One Meetings with the Executive Authority

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

Auditor-General of South Africa

The Audit Committee has met with the AGSA to ensure that there are no unresolved issues.



Ms. Lorraine Francois

Chairperson of the Audit Committee

Date: 26/08/2015



Every little bit helps.

Please switch off what you don't need.

www.elfm.co.za



PART D:

HUMAN RESOURCE MANAGEMENT

4.1. Introduction

The Human Resource Management Services functions within the department are:

- To promote sound employee relations;
- To promote human resource development; and
- To promote organisational development and HR administration services.

4.2. OVERVIEW OF HUMAN RESOURCES

In order to develop skills and growth, the Department aims to improve the capacity of employees to enable the department to deliver on its mandate. A total of 1 633 employees were trained on following:

• Road Protection;	• Machine books;
• Machine books;	• Compulsory Induction Programme;
• Back Actor;	• Business writing skills;
• Grader;	• Bus transport Fundamentals Training Programme;
• Basic Project Management;	• Foundational Management Development;
• Policy and Procedure on leave and ill health retirement;	• Creative/Provox Training,
• Internal Bursaries awarded and renewed;	• SAMEA (South African Monitoring and Evaluation Association).
• External Bursaries awarded and renewed;	• Pension awareness workshop
• Records Management;	• Mentorship
• Telephone Etiquette;	• Customer Care
• Grievance and Disciplinary Training;	• Fencing
• Road side safety	• Tar Patching
• South African Transport Conference	• Computer training

The Department implemented a Professional Registration Development Programme to ensure that the Department's Human Capital in Technical fields is registered and remain registered.

Skills Development

Learnerships, apprenticeships, internships and bursaries are the most pivotal intervention to support Government's Mandate to address unemployment. These interventions play a significant role in assisting youth, women and people with disability to up-skill for employability. These aim to improve the skills capacity of individuals by enhancing their career prospects and supporting the Department's mandate in building the skills levels in the identified technical areas.

The Department has awarded bursaries to deserving one hundred and eight (108) internal staff members to help them further their studies. Bursaries were given to wide-ranging studying opportunities from information systems, human resources, finance and administration. On the other hand, twenty three (23) bursaries were given to dedicated external students studying towards engineering qualifications at various institutions.

Public Service Sector Education and Training Authority (PSETA) funded 23 Diesel Mechanics apprentices on the Departmental Apprenticeship Programme. The Diesel Mechanics were given the opportunity for trade test preparation and trade testing and 9 completed the programme with a trade test certificate.

The Department implemented a Professional Registration Development Programme to provide technical staff with mentorship, training and practical work experience in line with the requirements of the various professional councils e.g. ECSA, PLATO, SACPLAN, SACPCMP and SACQSP, to become a registered professional.

Zwartkop has trained a total of 542 employees, NYS learners and contractors on 8 different programmes as follows:

- Road Protection;
- Machine books;
- Back Actor;
- Grader;
- › Road side safety;
- › Machine books;
- › Fencing
- › Tar Patching

Bursaries Awarded by the Department

The Department has identified a need to have a study assistance scheme to support skills development, thereby its skills base, aimed at enhancing the employability of employees and further contribute to the national skills development strategy.

The bursary policy is set out to equitably distribute funds for the benefit of employees and the department. The objectives of the policy are as follows:

- Provision of assistance to deserving employees to further their education;
- Improve and enhance competencies and skills;
- Afford employees' access to education and development programme as well as
- Addressing skills shortage and promote an environment that support life-long learning.

Workforce planning and key strategies to attract and recruit a skilled and capable workforce.

As per DPSA prescripts, an HR Implementation Plan Report was developed detailing short, medium and long term needs of the Department to capacitate itself, to attract and retain scarce skills. Funded vacant posts for engineering related occupations were re-advertised but no suitable candidates were found which is the same result as in the previous financial years. The following key SMS positions have been advertised within the Branch Corporate Services, the Chief Directorate: Human Resource Management- Director: HR Planning and Administration; Director: HR Development and Director: Labour Relations.

The following key SMS positions within the Roads and Transport Branch has also been advertised for filling- Chief Director: Roads Maintenance; Chief Director: Roads Infrastructure and the Chief Director: Transport Policy and Planning.

These key SMS positions will be permanently filled within the new financial year.

- **Employee wellness programmes.**

Employees participated in various wellness services and projects including 24 hour counselling services, sport tournaments, health screening, OHS induction, E-care, health promotions, HIV testing and counselling and financial wellness. A behaviour risk management audit was conducted to identify needs/risks for appropriate interventions. The audit also serves as a baseline for future interventions. There was a general increase in the utilisation of these services as compared to the previous years. A total of 521 employees participated in HIV testing and counselling in 2014/15 year, which is an increase of 31% from 2013/14 financial year (398 employees). In addition, a partnership was established with the department of Health to undertake a health promotion and screening campaign in the taxi industry during the October month. A total of 3 412 taxi drivers/operators/vendors/commuters participated in the health screening and HIV testing and counselling.

The Behaviour Risk Management audit was conducted to determine the health related risks and needs of employees. The majority of employees reported a relatively high level of job satisfaction, a healthy work life balance and low financial risk. The results are done in comparison with other industry peers (other government departments served by same service provider). The report highlighted that employees are less satisfied with the support they receive from management. Poor communication remains the problem as in the climate survey undertaken in 2012. Poor weight control and mental illness are the top health issues reported by GEMS during the health screening campaign of 2014.

The recruitment; attraction and appointment of People with Disabilities to reach the 2% target remains stumbling block for the department.

The recruitment; attraction and appointment of Occupation Specific Dispensation positions within the engineering and related occupations and legally qualified personnel also remains unchanged –no appointments made within any of these occupations for the period under review.

The areas of concern are the following:

- Annual leave transactions were approved after being taken;
- Sick leave application forms were submitted after 5 days of return;
- Leave forms were not completed immediately after returning to work;
- Leave was processed without supporting documents; and
- Pay roll reports are not returned to the CFO within 10 days of being certified.

The following policy and procedure documents have been approved for the period under review:

- Approved Acting Allowance policy;
- Approved PMDS policy for employees on salary levels 1 -12;
- Approved Health and Productivity policy/AIDS, STI and TB policy;
- Approved Safety Health Environment Risk and Quality policy;
- Approved Wellness Management policy, and
- Approved Standard Operating Procedures for Departmental Payroll Administration

The following documents are in the process of being reviewed:

- Updating and drafting amended Recruitment and Selection Policy
- Updating and drafting amended Departmental Leave Policy
- Updating and drafting amended Departmental Termination Policy

4.3. HUMAN RESOURCE OVERSIGHT STATISTICS

4.3.1. Personnel related expenditure

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

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

Table 4.3.1.1 Personnel expenditure by programme for the period 1 April 2014 and 31 March 2015

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	238 600	113 585	0	0	47.6	64
Gautrain rapid rail link	1 311 748	0	0	0	0	0
Transport infrastructure	1 519 557	208 477	0	0	13.7	117
Transport operations	1 621 078	20 246	0	0	1.2	11
Transport regulation	166 419	106 078	0	0	63.7	60
Z=Total as on Financial Systems (BAS)	5 114 437	448 386	0	0	8.8	252

Table 4.3.1.2 Personnel costs by salary band for the period 1 April 2014 and 31 March 2015

Salary band	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	4 726	1	131	36 076
Skilled (Levels 3-5)	121 823	26.4	791	154 011
Highly skilled production (Levels 6-8)	143 921	31.2	578	248 998
Highly skilled supervision (Levels 9-12)	102 581	22.2	216	464 912
Senior management (Levels 13-16)	50 050	10.8	54	926 852
Contract (Levels 1-2)	90	0	1	90 000
Contract (Levels 3-5)	158	0	1	158 000
Contract (Levels 6-8)	962	0.2	3	320 667
Contract (Levels 9-12)	3 140	0.7	3	1 046 667
Contract (Levels 13-16)	4 944	1.1	4	1 236 000
Periodical Remuneration	13 235	2.9	164	80 701
Abnormal Appointment	6 799	1.5	253	26 874
TOTAL	452429	98.1	2199	205 743

Table 4.3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2014 and 31 March 2015

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration (pr1)	7360	80.1	0	0	203	2.2	225	2.4
Administration**old	96961	72.3	18	0	4152	3.1	4459	3.3
Maintenance	86362	66.7	52	0	6657	5.1	8674	6.7
Public transport	14197	75.1	0	0	479	7.5	764	4
Road infrastructure**old	111757	70.2	12	0	4980	3.1	6725	4.2
Transport infrastructure	6201	73.1	0	0	167	2	242	2.9
Transportation mngm (pr4)	1489	81.4	0	0	44	2.4	14	0.8
TOTAL	324327	70.3	82	0	16682	3.6	21103	4.6

Table 4.3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2014 and 31 March 2015

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	3636	75.7	0	0	302	6.3	191	4
Skilled (Levels 3-5)	81087	65.5	44	0	7790	6.3	10181	8.2
Highly skilled production (Levels 6-8)	105271	72.6	35	0	4867	3.4	7200	5
Highly skilled supervision (Levels 9-12)	78327	73.3	3	0	2275	2.1	2966	2.8
Senior management (Levels 13-16)	40635	79.6	0	0	1396	2.7	537	1.1
Contract (Levels 1-2)	65	72.2	0	0	10	11.1	0	0
Contract (Levels 3-5)	143	90.5	0	0	0	0	0	0
Contract (Levels 6-8)	900	93.3	0	0	5	0.5	7	0.7
Contract (Levels 9-12)	2789	84.6	0	0	5	0.2	8	0.2
Contract (Levels 13-16)	4645	91.7	0	0	32	0.6	13	0.3
Periodical Remuneration	40	0.3	0	0	0	0	0	0
Abnormal Appointment	6789	99.9	0	0	0	0	0	0
TOTAL	324327	70.3	82	0	16682	3.6	21103	4.6

4.3.2. Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

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

Table 4.3.2.1 Employment and vacancies by programme as on 31 March 2015

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration (pr1), Permanent	33	21	36.4	0
Administration**old, Permanent	669	396	40.8	0
EPWP**old, Permanent	2	0	100	0
Maintenance, Permanent	933	762	18.3	2
Public transport, Permanent	107	57	46.7	0
Road infrastructure**old, Permanent	938	523	44.2	6
Transport infrastructure, Permanent	69	21	69.6	0
Transportation mngm (pr4), Permanent	2	2	0	0
TOTAL	2753	1782	35.3	8

Table 4.3.2.2 Employment and vacancies by salary band as on 31 March 2015

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2), Permanent	188	131	30.3	0
Skilled (Levels 3-5), Permanent	1090	791	27.4	0
Highly skilled production (Levels 6-8), Permanent	945	578	38.8	4
Highly skilled supervision (Levels 9-12), Permanent	451	216	52.1	2
Senior management (Levels 13-16), Permanent	67	54	19.4	0
Contract (Levels 1-2), Permanent	1	1	0	0
Contract (Levels 3-5), Permanent	1	1	0	0
Contract (Levels 6-8), Permanent	3	3	0	1
Contract (Levels 9-12), Permanent	3	3	0	1
Contract (Levels 13-16), Permanent	4	4	0	0
TOTAL	2753	1782	35.3	8

Table 4.3.2.3 Employment and vacancies by critical occupations as on 31 March 2015

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, Permanent	268	167	37.7	0
All artisans in the building metal machinery etc., Permanent	24	24	0	0
Appraisers-valuers and related professionals, Permanent	1	0	100	0
Artisan project and related superintendents, Permanent	24	17	29.2	0
Attorneys, Permanent	2	2	0	0
Authors journalists and other writers, Permanent	5	2	60	0
Auxiliary and related workers, Permanent	61	38	37.7	0
Building and other property caretakers, Permanent	13	13	0	0
Bus and heavy vehicle drivers, Permanent	62	7	88.7	0
Cartographers and surveyors, Permanent	2	2	0	2
Cartographic surveying and related technicians, Permanent	5	1	80	0
Civil engineering technicians, Permanent	3	3	0	0
Cleaners in offices workshops hospitals etc., Permanent	43	36	16.3	0
Client inform clerks(switchboard receipt inform clerks), Permanent	7	5	28.6	0
Communication and information related, Permanent	8	3	62.5	0
Computer system designers and analysts., Permanent	10	6	40	0
Economists, Permanent	6	2	66.7	0
Engineering sciences related, Permanent	50	19	62	1
Engineers and related professionals, Permanent	271	53	80.4	5
Finance and economics related, Permanent	23	19	17.4	0
Financial and related professionals, Permanent	22	9	59.1	0
Financial clerks and credit controllers, Permanent	50	41	18	0
Food services aids and waiters, Permanent	1	1	0	0
General legal administration & rel. professionals, Permanent	2	2	0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Head of department/chief executive officer, Permanent	2	2	0	0
Human resources & organisat developm & relate prof, Permanent	53	37	30.2	0
Human resources clerks, Permanent	36	13	63.9	0
Human resources related, Permanent	22	17	22.7	0
Identification experts, Permanent	1	1	0	0
Information technology related, Permanent	5	2	60	0
Language practitioners interpreters & other commun, Permanent	1	1	0	0
Legal related, Permanent	8	6	25	0
Library mail and related clerks, Permanent	18	9	50	0
Light vehicle drivers, Permanent	13	9	30.8	0
Logistical support personnel, Permanent	3	3	0	0
Material-recording and transport clerks, Permanent	24	19	20.8	0
Medical specialists, Permanent	1	1	0	0
Messengers porters and deliverers, Permanent	33	21	36.4	0
Motor vehicle drivers, Permanent	6	6	0	0
Other administrative & related clerks and organisers, Permanent	423	263	37.8	0
Other administrative policy and related officers, Permanent	246	153	37.8	0
Other information technology personnel., Permanent	23	17	26.1	0
Other occupations, Permanent	89	89	0	0
Photographic lithographic and related workers, Permanent	2	2	0	0
Printing and related machine operators, Permanent	1	1	0	0
Quantity surveyors & rela prof not class elsewhere, Permanent	1	0	100	0
Road superintendents, Permanent	17	9	47.1	0
Road trade workers., Permanent	21	19	9.5	0
Road workers, Permanent	584	490	16.1	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Secretaries & other keyboard operating clerks, Permanent	64	46	28.1	0
Security guards, Permanent	3	3	0	0
Senior managers, Permanent	41	28	31.7	0
Statisticians and related professionals, Permanent	2	2	0	0
Trade labourers, Permanent	27	25	7.4	0
Trade related, Permanent	10	6	40	0
Water plant and related operators, Permanent	10	10	0	0
TOTAL	2753	1782	35.3	8

4.3. 3 Filing of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2015

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	1.67	0.00	0.00
Salary Level 15	4	3	6.67	0.00	0.00
Salary Level 14	11	10	20.00	0.00	0.00
Salary Level 13	37	37	60.00	7.00	16.28
TOTAL	53	51	88.33	7.00	16.28

Table 4.3.3.2 SMS post information as on 30 September 2014

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100.00	0.00	0.00
Salary Level 15	4	3	75.00	-1.00	-25.00
Salary Level 14	12	11	91.67	-1.00	-8.33
Salary Level 13	43	39	90.70	-4.00	-9.30
TOTAL	60	54	90.00	-6.00	-42.64

Table 4.3.3.3 Advertising and filing of SMS post for the period 1 April 2014 and 31 March 2015

SMS Level	ADVERTISING	FILLING OF POSTS	
	Total number of Vacancies Advertised in 6W of Months of Becoming Vacant	Total number of vacancies per level filled in 6 months after becoming vacant	Total Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 15	0	0	0
Salary Level 14	3	0	0
Salary Level 13	3	0	0

SMS Level	ADVERTISING	FILLING OF POSTS	
	Total number of Vacancies Advertised in 6W of Months of Becoming Vacant	Total number of vacancies per level filled in 6 months after becoming vacant	Total Number of vacancies per level not filled in 6 months but filled in 12 months
TOTAL	6	0	0

Table 4.3.3.4 Reasons for not having complied with the filing of funded vacant SMS – Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2014 and 31 March 2015

Reasons for vacancies not advertised within six months

It should be noted that due to the implementation of the proposed organisational structure some SMS posts will cease to exist on the new structure

Reasons for vacancies not filled within six months

It should be noted that due to the implementation of the proposed organisational structure some SMS posts will cease to exist on the new structure

4.3.4 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 4.3.4.1 Job Evaluation by Salary band for the period 1 April 2014 and 31 March 2015

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)	656	66	10.1	0	0	0	0
Contract (Levels 1-2)	1	0	0	0	0	0	0
Contract (Levels 3-5)	1	0	0	0	0	0	0
Contract (Levels 6-8)	3	0	0	0	0	0	0
Contract (Levels 9-12)	3	0	0	0	0	0	0
Contract (Band A)	2	0	0	0	0	0	0
Contract (Band C)	1	0	0	0	0	0	0
Contract (Band D)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	736	14	1.9	0	0	0	0
Highly skilled production (Levels 6-8)	946	63	6.7	0	0	0	0
Highly skilled supervision (Levels 9-12)	420	56	13.3	0	0	0	0
Senior Management Service Band A	34	14	41.2	0	0	0	0

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
Senior Management Service Band B	11	0	0	0	0	0	0
Senior Management Service Band C	4	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
TOTAL	2820	213	7.6	0	0	0	0

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

Table 4.3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2014 and 31 March 2015

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-
Employees with a disability					-

4.3.5. Employment Changes

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

Table 4.3.5.1 Annual turnover rates by salary band for the period 1 April 2014 and 31 March 2015

Salary Band	Number of employees at beginning of period- April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2), Permanent	15	118	1	6.7
Skilled (Levels 3-5), Permanent	862	36	69	8
Highly skilled production (Levels 6-8), Permanent	546	39	20	3.7
Highly skilled supervision (Levels 9-12), Permanent	220	5	8	3.6
Senior Management Service Band A, Permanent	33	0	3	9.1
Senior Management Service Band B, Permanent	16	0	2	12.5
Senior Management Service Band C, Permanent	5	0	1	20
Senior Management Service Band D, Permanent	1	0	0	0
Contract (Levels 1-2), Permanent	1	0	0	0
Contract (Levels 3-5), Permanent	1	0	0	0

Salary Band	Number of employees at beginning of period-April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Contract (Levels 6-8), Permanent	5	0	1	20
Contract (Levels 9-12), Permanent	5	1	12	240
Contract (Band A), Permanent	2	0	0	0
Contract (Band B), Permanent	3	0	9	300
Contract (Band D), Permanent	1	0	0	0
TOTAL	1716	199	126	7.3

Table 4.3.5.2 Annual turnover rates by critical occupation for the period 1 April 2013 and 31 March 2014

Critical Occupation	Number of employees at beginning of period-April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, Permanent	167	4	6	3.6
All artisans in the building metal machinery etc., Permanent	25	0	0	0
Artisan project and related superintendents, Permanent	10	8	2	20
Attorneys, Permanent	2	0	0	0
Auxiliary and related workers, Permanent	40	1	1	2.5
Building and other property caretakers, Permanent	14	0	1	7.1
Bus and heavy vehicle drivers, Permanent	16	0	0	0
Cartographers and surveyors, Permanent	2	0	0	0
Cartographic surveying and related technicians, Permanent	3	0	1	33.3
Civil engineering technicians, Permanent	3	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	31	11	4	12.9
Client inform clerks(switchboard reception inform clerks), Permanent	5	0	0	0
Communication and information related, Permanent	3	0	0	0
Computer system designers and analysts., Permanent	5	1	0	0
Economists, Permanent	4	0	0	0

Critical Occupation	Number of employees at beginning of period-April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Engineering sciences related, Permanent	23	1	19	82.6
Engineers and related professionals, Permanent	55	0	1	1.8
Finance and economics related, Permanent	19	0	0	0
Financial and related professionals, Permanent	7	1	1	14.3
Financial clerks and credit controllers, Permanent	26	9	0	0
Food services aids and waiters, Permanent	1	0	0	0
General legal administration & rel. professionals, Permanent	2	0	0	0
Head of department/chief executive officer, Permanent	2	0	0	0
Human resources & organisation development & relate prof, Permanent	39	1	0	0
Human resources clerks, Permanent	14	2	0	0
Human resources related, Permanent	18	0	0	0
Identification experts, Permanent	1	0	0	0
Information technology related, Permanent	2	0	0	0
Language practitioners interpreters & other communication, Permanent	1	0	0	0
Legal related, Permanent	6	0	0	0
Library mail and related clerks, Permanent	9	2	0	0
Light vehicle drivers, Permanent	2	0	0	0
Logistical support personnel, Permanent	3	0	0	0
Material-recording and transport clerks, Permanent	20	0	0	0
Medical specialists, Permanent	1	0	0	0
Messengers porters and deliverers, Permanent	25	1	1	4
Motor vehicle drivers, Permanent	7	0	0	0
Other administrative & related clerks and organisers, Permanent	259	27	7	2.7

Critical Occupation	Number of employees at beginning of period-April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Other administrative policy and related officers, Permanent	145	4	3	2.1
Other information technology personnel., Permanent	16	4	2	12.5
Other occupations, Permanent	100	2	11	11
Photographic lithographic and related workers, Permanent	2	0	0	0
Printing and related machine operators, Permanent	1	0	0	0
Road superintendents, Permanent	11	0	0	0
Road trade workers., Permanent	21	0	6	28.6
Road workers, Permanent	432	109	49	11.3
Secretaries & other keyboard operating clerks, Permanent	41	8	1	2.4
Security guards, Permanent	3	0	0	0
Senior managers, Permanent	31	0	7	22.6
Statisticians and related professionals, Permanent	0	1	0	0
Trade labourers, Permanent	27	2	3	11.1
Trade related, Permanent	4	0	0	0
Water plant and related operators, Permanent	10	0	0	0
TOTAL	1716	199	126	7.3

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

Table 4.3.53 Reasons why staff left the department for the period 1 April 2014 and 31 March 2015

Termination Type	Number	% of Total Resignations
Death, Permanent	11	8.7
Resignation, Permanent	33	26.2
Expiry of contract, Permanent	22	17.5
Dismissal-misconduct, Permanent	3	2.4
Retirement, Permanent	57	45.2
TOTAL	126	100
Total number of employees who left as a % of total employment	7.3	

Table 4.3.5.4 Promotions by critical occupation for the period 1 April 2014 and 31 March 2015

Occupation	Employees 1 April 2014	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	167	1	0.6	110	65.9
All artisans in the building metal machinery etc.	25	1	4	4	16
Artisan project and related superintendents	10	0	0	10	100
Attorneys	2	0	0	2	100
Authors journalists and other writers	0	2	0	0	0
Auxiliary and related workers	40	1	2.5	26	65
Building and other property caretakers	14	0	0	13	92.9
Bus and heavy vehicle drivers	16	0	0	7	43.8
Cartographers and surveyors	2	0	0	0	0
Cartographic surveying and related technicians	3	0	0	1	33.3
Civil engineering technicians	3	0	0	2	66.7
Cleaners in offices workshops hospitals etc.	31	0	0	15	48.4
Client inform clerks (switchboard reception inform clerks)	5	0	0	2	40
Communication and information related	3	0	0	0	0
Computer system designers and analysts.	5	0	0	2	40
Economists	4	0	0	3	75
Engineering sciences related	23	0	0	11	47.8
Engineers and related professionals	55	1	1.8	12	21.8
Finance and economics related	19	1	5.3	10	52.6
Financial and related professionals	7	2	28.6	2	28.6
Financial clerks and credit controllers	26	5	19.2	9	34.6
Food services aids and waiters	1	0	0	0	0
General legal administration & rel. professionals	2	0	0	1	50
Head of department/ chief executive officer	2	0	0	0	0

Occupation	Employees 1 April 2014	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
Human resources & organisat developm & relate prof	39	0	0	28	71.8
Human resources clerks	14	0	0	9	64.3
Human resources related	18	1	5.6	11	61.1
Identification experts	1	0	0	1	100
Information technology related	2	0	0	1	50
Language practitioners interpreters & other commun	1	0	0	0	0
Legal related	6	0	0	3	50
Library mail and related clerks	9	0	0	4	44.4
Light vehicle drivers	2	0	0	5	250
Logistical support personnel	3	0	0	3	100
Material-recording and transport clerks	20	0	0	13	65
Medical specialists	1	0	0	0	0
Messengers porters and deliverers	25	1	4	14	56
Motor vehicle drivers	7	0	0	7	100
Other administrat & related clerks and organisers	259	23	8.9	110	42.5
Other administrative policy and related officers	145	9	6.2	75	51.7
Other information technology personnel.	16	1	6.3	10	62.5
Other occupations	100	0	0	85	85
Photographic lithographic and related workers	2	0	0	2	100
Printing and related machine operators	1	0	0	1	100
Road superintendents	11	0	0	3	27.3
Road trade workers.	21	3	14.3	17	81
Road workers	432	7	1.6	345	79.9
Secretaries & other keyboard operating clerks	41	2	4.9	28	68.3
Security guards	3	0	0	3	100
Senior managers	31	0	0	0	0
Statisticians and related professionals	0	1	0	0	0
Trade labourers	27	0	0	23	85.2
Trade related	4	2	50	0	0
Water plant and related operators	10	0	0	9	90
TOTAL	1716	64	3.7	1052	61.3

Table 4.3.5.5 Promotions by salary band for the period 1 April 2014 and 31 March 2015

Salary Band	Employees 1 April 2014	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), Permanent	15	0	0	0	0
Skilled (Levels 3-5), Permanent	862	15	1.7	597	69.3
Highly skilled production (Levels 6-8), Permanent	546	41	7.5	341	62.5
Highly skilled supervision (Levels 9-12), Permanent	220	7	3.2	107	48.6
Senior management (Levels 13-16), Permanent	55	1	1.8	3	5.5
Contract (Levels 1-2), Permanent	1	0	0	0	0
Contract (Levels 3-5), Permanent	1	0	0	1	100
Contract (Levels 6-8), Permanent	5	0	0	1	20
Contract (Levels 9-12), Permanent	5	0	0	2	40
Contract (Levels 13-16), Permanent	6	0	0	0	0
TOTAL	1716	64	3.7	1052	61.3

4.3.6. Employment Equity

Table 4.3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2015

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers, Permanent	13	2	3	1	10	0	1	1	31
Professionals, Permanent	93	3	3	14	78	0	4	7	202
Technicians and associate professionals, Permanent	162	6	1	11	154	9	4	18	365
Clerks, Permanent	115	3	1	5	230	7	2	34	397
Service and sales workers, Permanent	3	0	0	0	0	0	0	0	3

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Craft and related trades workers, Permanent	38	0	0	28	9	0	1	1	77
Plant and machine operators and assemblers, Permanent	33	0	0	0	0	0	0	0	33
Elementary occupations, Permanent	531	3	0	23	111	2	0	4	674
TOTAL	988	17	8	82	592	18	12	65	1782
Employees with disabilities	7	1	0	1	1	0	0	0	10

Table 4.3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2014

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	2	0	1	0	1	0	0	0	4
Senior Management, Permanent	21	1	1	2	17	4	2	2	50
Professionally qualified and experienced specialists and mid-management, Permanent	84	5	3	24	83	1	3	13	216
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	216	4	1	30	272	9	5	41	578
Semi-skilled and discretionary decision making, Permanent	578	4	0	25	169	4	2	9	791
Unskilled and defined decision making, Permanent	82	1	0	0	48	0	0	0	131
Contract (Top Management), Permanent	0	1	0	1	0	0	0	0	2
Contract (Senior Management), Permanent	1	0	1	0	0	0	0	0	2
Contract (Professionally qualified), Permanent	2	1	0	0	0	0	0	0	3

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contract (Skilled technical), Permanent	2	0	1	0	0	0	0	0	3
Contract (Semi-skilled), Permanent	0	0	0	0	1	0	0	0	1
Contract (Unskilled), Permanent	0	0	0	0	1	0	0	0	1
TOTAL	988	17	8	82	592	18	12	65	1782

Table 4.3.6.3 Recruitment for the period 1 April 2014 and 31 March 2015

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, Permanent	0	0	0	0	5	0	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	14	0	0	0	25	0	0	0	39
Semi-skilled and discretionary decision making, Permanent	18	0	0	0	18	0	0	0	36
Unskilled and defined decision making, Permanent	74	1	0	0	43	0	0	0	118
Contract (Professionally qualified), Permanent	1	0	0	0	0	0	0	0	1
TOTAL	107	1	0	0	91	0	0	0	199
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 4.3.6.4 Promotions for the period 1 April 2014 and 31 March 2015

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	1	0	0	1	2	0	0	0	4
Professionally qualified and experienced specialists and mid-management, Permanent	45	2	3	12	44	1	1	6	114
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	146	3	0	12	180	5	4	32	382
Semi-skilled and discretionary decision making, Permanent	495	4	0	16	88	1	2	6	612
Contract (Professionally qualified), Permanent	1	1	0	0	0	0	0	0	2
Contract (Skilled technical), Permanent	0	0	1	0	0	0	0	0	1
Contract (Semi-skilled), Permanent	0	0	0	0	1	0	0	0	1
TOTAL	688	10	4	41	315	7	7	44	1116
Employees with disabilities	5	1	0	1	0	0	0	0	7

Table 3.6.5 Terminations for the period 1 April 2014 and 31 March 2015

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	1	0	0	0	0	0	0	0	1
Senior Management, Permanent	2	0	0	1	2	0	0	2	5
Professionally qualified and experienced specialists and mid-management, Permanent	2	0	0	2	1	1	0	4	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	8	2	0	3	3	0	0	0	20
Semi-skilled and discretionary decision making, Permanent	63	0	0	1	5	0	0	0	69
Unskilled and defined decision making, Permanent	0	0	0	0	1	0	0	0	1
Contract (Senior Management), Permanent	8	0	0	0	1	0	0	0	9
Contract (Professionally qualified), Permanent	9	0	0	0	3	0	0	0	12
Contract (Skilled technical), Permanent	0	0	0	0	1	0	0	6	1
Employees with Disabilities	0	0	0	0	0	0	0	0	0
Total	93	2	0	7	17	1	0	6	126

Table 4.3.6.6 Disciplinary action for the period 1 April 2014 and 31 March 2015

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
-	5	0	0	0	2	0	0	0	7

Table 4.3.6.7 Skills development for the period 1 April 2014 and 31 March 2015

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0	0	0	0	0	0	0	0	0
Professionals	45	1	1	4	53	0	1	3	108
Technicians and associate professionals	159	3	0	3	156	7	2	10	340
Clerks	207	2	1	3	304	7	2	30	556
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	20	0	0	0	0	0	0	0	20
Elementary occupations	472	5	0	0	211	0	0	0	688
Total	903	11	2	10	724	14	5	43	1712
Employees with disabilities	3	0	0	0	1	0	0	0	4

4.3.7 Signing of Performance Agreements by SMS Members

Table 4.3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2014

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department		1	1	100%
Salary Level 16				
Salary Level 15		5	5	100%
Salary Level 14		14	14	100%
Salary Level 13		44	41	93.2%
TOTAL		64	61	98.3%

Reasons

1. Ms D Mokgoro – on suspension from October 2013 and service terminated in February 2015
2. Ms J Buthelezi- official seconded to GAUTRAIN and completes performance management forms of her current employer
3. Ms S Maphumulo- disagreement with the contents of her performance agreement with her supervisor, and has not been concluded to date.

1. Ms D Mokgoro – on suspension from October 2013 and service terminated in February 2015

4.3.8. Performance Rewards

Table 4.3.8.1 Performance rewards by race, gender and disability for the period 1 April 2014 and 31 March 2015

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, Female	297	591	50.3	2 328	7 840
African, Male	707	981	72.1	4 021	5 688
Asian, Female	7	12	58.3	55	7 898
Asian, Male	4	8	50	46	11 492
Coloured, Female	5	18	27.8	40	7 953
Coloured, Male	10	16	62.5	81	8 068
Total Blacks, Female	309	621	49.8	2 423	7 843
Total Blacks, Male	721	1005	71.7	4 148	5 753
White, Female	54	65	83.1	462	8 554
White, Male	73	81	90.1	641	8 782
Employees with a disability	7	10	70	41	5 840
TOTAL	1164	1782	65.3	7 715	6 628

Table 4.3.8.2 Performance Rewards by salary band for personnel below Senior Management Service, for the period 1 April 2014 and 31 March 2015

Salary Band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Lower skilled (Levels 1-2)	0	131	0	0	0
Skilled (Levels 3-5)	658	791	83.2	3 079	4 679
Highly skilled production (Levels 6-8)	365	578	63.1	2 989	8 189
Highly skilled supervision (Levels 9-12)	136	216	63	1 555	11 434
Contract (Levels 1-2)	0	1	0	0	0
Contract (Levels 3-5)	0	1	0	0	0
Contract (Levels 6-8)	0	3	0	0	0
Contract (Levels 9-12)	0	3	0	0	0
Periodical Remuneration	0	164	0	0	0
Abnormal Appointment	0	253	0	0	0
TOTAL	1159	2141	54.1	7623	6577

Table 4.3.8.3 Performance Rewards by critical occupation for the period 1 April 2014 and 31 March 2015

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	92	167	55.1	835	9 076
All artisans in the building metal machinery etc.	22	24	91.7	189	8 591
Artisan project and related superintendents	9	17	52.9	87	9 667
Attorneys	2	2	100	30	15 000
Authors journalists and other writers	0	2	0	0	0
Auxiliary and related workers	29	38	76.3	184	6 345
Building and other property caretakers	14	13	107.7	63	4 500
Bus and heavy vehicle drivers	7	7	100	31	4 429

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Cartographers and surveyors	0	2	0	0	0
Cartographic surveying and related technicians	2	1	200	16	8 000
Civil engineering technicians	3	3	100	39	13 000
Cleaners in offices workshops hospitals etc.	15	36	41.7	66	4 400
Client inform clerks(switchb recept inform clerks)	1	5	20	6	6 000
Communication and information related	0	3	0	0	0
Computer system designers and analysts.	2	6	33.3	19	9 500
Economists	0	2	0	0	0
Engineering sciences related	14	19	73.7	192	13 714
Engineers and related professionals	43	53	81.1	462	10 744
Finance and economics related	10	19	52.6	107	10 700
Financial and related professionals	5	9	55.6	45	9 000
Financial clerks and credit controllers	8	41	19.5	55	6 875
Food services aids and waiters	0	1	0	0	0
General legal administration & rel. professionals	0	2	0	0	0
Head of department/ chief executive officer	0	2	0	0	0
Human resources & organisat developm & relate prof	27	37	73	261	9 667
Human resources clerks	9	13	69.2	68	7 556
Human resources related	12	17	70.6	143	11 917
Identification experts	1	1	100	10	10 000

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Information technology related	1	2	50	11	11 000
Language practitioners interpreters & other commun	0	1	0	0	0
Legal related	4	6	66.7	39	9 750
Library mail and related clerks	3	9	33.3	22	7 333
Light vehicle drivers	7	9	77.8	36	5 143
Logistical support personnel	3	3	100	31	10 333
Material-recording and transport clerks	14	19	73.7	103	7 357
Medical specialists	0	1	0	0	0
Messengers porters and deliverers	15	21	71.4	67	4 467
Motor vehicle drivers	5	6	83.3	31	6 200
Other administrat & related clerks and organisers	129	263	49	846	6 558
Other administrative policy and related officers	76	153	49.7	673	8 855
Other information technology personnel.	13	17	76.5	114	8 769
Other occupations	87	89	97.8	471	5 414
Photographic lithographic and related workers	2	2	100	9	4 500
Printing and related machine operators	1	1	100	6	6 000
Road superintendents	3	9	33.3	28	9 333
Road trade workers.	24	19	126.3	166	6 917
Road workers	387	490	79	1 746	4 512
Secretaries & other keyboard operating clerks	25	46	54.3	206	8 240
Security guards	3	3	100	13	4 333
Senior managers	0	28	0	0	0
Statisticians and related professionals	0	2	0	0	0
Trade labourers	23	25	92	101	4 391
Trade related	3	6	50	35	11 667
Water plant and related operators	9	10	90	54	6 000
TOTAL	1164	1782	65.3	7716	6629

Table 4.3.8 4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2014 and 31 March 2015

Salary Band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	2	38	5.3	28	14 000	31 035
Band B	3	14	21.4	64	21 333	17 043
Band C	0	4	0	0	0	0
Band D	0	2	0	0	0	0
TOTAL	5	58	8.6	92	18400	48078

4.3.9. Foreign Workers

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

Table 4.3.9.1 foreign workers by salary band for the period 1 April 2014 and 31 March 2015

Salary Band	01 April 2014		31 March 2015		Change	
	Number	% of total	Number	% of total	Number	% Change
Skilled (Levels 3-5)	1	8.3	1	20	0	0
Highly skilled supervision (Levels 9-12)	1	8.3	1	20	0	0
Senior management (Levels 13-16)	0	0	1	20	1	-14.3
Contract (Levels 9-12)	7	58.3	0	0	-7	100
Contract (Levels 13-16)	3	25	0	0	-3	42.9
Periodical Remuneration	0	0	1	20	1	-14.3
Abnormal Appointment	0	0	1	20	1	-14.3
TOTAL	12	100	5	100	-7	100

Table 3.9.2 foreign workers by major occupation for the period 1 April 2014 and 31 March 2015

Major Occupation	01 April 2014		31 March 2015		Change	
	Number	% of total	Number	% of total	Number	% Change
Craft and related trades workers	0	0	1	20	1	-14.3
Elementary occupations	1	8.3	1	20	0	0
Professionals and managers	11	91.7	3	60	-8	114.3
TOTAL	12	100	5	100	-7	100

4.3.10. Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2014 to 31 December 2014

Salary Band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	29	37.9	8	0.8	4	11
Skilled (Levels 3-5)	3027	65	438	46.2	7	1 687
Highly skilled production (Levels 6-8)	2397	70	339	35.7	7	2 442
Highly skilled supervision (Levels 9-12)	940	74	135	14.2	7	1 721
Senior management (Levels 13-16)	185	84.9	27	2.8	7	630
Contract (Levels 9-12)	2	0	1	0.1	2	5
Contract (Levels 13-16)	1	0	1	0.1	1	4
TOTAL	6581	68.5	949	100	7	6500

Table 4.3.10.2 Disability leave (temporary and permanent) for the period 1 January 2014 to 31 December 2014

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)
Highly skilled production (Levels 6-8)	10	100	2	100	5	12
TOTAL	10	100	2	100	5	12

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 4.3.10.3 Annual Leave for the period 1 January 2014 to 31 December 2014

Salary Band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	105	4	27
Skilled (Levels 3-5)	17751	21	838
Highly skilled production (Levels 6-8)	10359	18	565
Highly skilled supervision (Levels 9-12)	4012	18	220
Senior management (Levels 13-16)	1067	19	57
Contract (Levels 1-2)	18	18	1
Contract (Levels 3-5)	15	15	1
Contract (Levels 6-8)	40	13	3
Contract (Levels 9-12)	43	7	6
Contract (Levels 13-16)	33	8	4
TOTAL	33443	19	1722

Table 4.3.10.4 Capped leave for the period 1 January 2014 to 31 December 2014

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 at 31 March
Skilled (Levels 3-5)	65	5	36	14
Highly skilled production (Levels 6-8)	69	12	54	6
Senior management (Levels 13-16)	7	7	37	1
TOTAL	141	7	40	21

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

Table 4.3.10.5 Leave payouts for the period 1 April 2014 and 31 March 2015

Reason	Total Amount (R'000)	Number of Employees	Average per employee (R'000)
Capped leave payouts on termination of service for 2014/15	3 477	103	33757
Current leave payout on termination of service for 2014/15	461	39	11821
TOTAL	3938	142	27732

4.3.11. HIV/AIDS & Health Promotion Programmes

Table 4.3.11.1 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
Road maintenance workers with regard to TB and respiratory conditions	<p>Educational campaigns on HIV/AIDS, STI and TB. Education and encouragement to participate in HIV counselling and Testing.</p> <p>Increasing access to male and female condoms to employees.</p> <p>Collaboration with OHS to facilitate use of masks in dusty environment. Education on TB symptoms and Prevention during health screenings.</p> <p>Increasing access to screening for TB and other conditions.</p>

Table 4.3.11. 2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		The Director HR Planning has been designated. However the post is currently vacant and officers are acting on a rotational basis
2. Does the department have a dedicated unit or have you designated specific staff members to promote 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		Employee Health and Wellness Sub-directorate. There are seven staff members and the allocated budget is R1,9m
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	X		Health screening including HIV Counselling and Testing General counselling of employees. Capacity building of Managers. Financial literacy. Sports and recreational activities. Educational and awareness campaigns
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		There is a Transport Sector HIV committee for external stakeholders HAST Coordinators Committee representing employees
5. Has the department reviewed the employment policies and practices of your department 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		HIV/AIDS,STI and TB policy was reviewed and includes elements of Human right and access to justice
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		HIV/AIDS, STI and TB policy is the tool to protect the rights of all employees including those that are HIV positive. 24 hour Counselling and support service is provided by a service provider
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		HCT and health screening is provided quarterly per region/head office and 521 employees tested against a target of 600 in 2014/15 financial year
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	X		Behaviour Risk Management survey. Sick leave trends analysis. Health screening including HCT trends analysis.

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

Table 4.3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2014 and 31 March 2015

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	1	0.1
Written warning	3	0.2
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	3	0.2
Not guilty	0	0
Case withdrawn	0	0
TOTAL	7	0.5

Table 4.3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2014 and 31 March 2015

Type of misconduct (based on annexure A)	Number	% of total
Irregular issuing of permits	0	0
Absenteeism	0	0
Misrepresentation	0	0
Abscondment	0	0
sexual harassment	0	0
collection of drivers licence without authority	0	0
loss of stolen valued documents	0	0
Financial misconduct	3	0.2
Bribery	0	0
disruption of services	0	0
Theft	0	0
Gross dishonesty	0	0
harassment and intimidation	0	0
Fraud	1	0.1
Alleged fraud and corruption	0	0
Other (Non-compliance with CIP)	3	0.2
TOTAL	7	0.5

Table 4.3.12.4 Grievances logged for the period 1 April 2014 and 31 March 2015

Grievances	Number	% of Total
Number of grievances resolved	44	100
Number of grievances not resolved	0	0
Total of grievances not lodged	44	100

Table 4.3.12., 5 Disputes logged with Councils for the period 1 April 2014 and 31 March 2015

Grievances	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	3	100
Total number of disputes lodged	3	100

Table 4.3.12.6 Strike actions for the period 1 April 2014 and 31 March 2015

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

Table 4.3.12.7 Precautionary suspensions for the period 1 April 2014 and 31 March 2015

Number of people suspended	0
Number of people who's suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension (R'000)	0

4.3.13. Skills development

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

Table 4.3.13.1 Training needs identified for the period 1 April 2014 and 31 March 2015

Occupational Category	Gender	Number of employees as at 1 April 2013	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	0	0	57	0	57
	Male	0	0	49	0	49
Technicians and associate professionals	Female	0	0	175	0	175
	Male	0	0	85	0	85
Clerks	Female	0	35	202	0	237
	Male	0	25	88	0	113
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	19	0	19
	Male	0	0	105	0	105
Sub Total	Female	0	35	453	0	488
	Male	0	25	327	0	352
Total		0	60	780	0	840

Table 4.3.13.2 Training provided for the period for the period 1 April 2014 and 31 March 2015

Occupational Category	Gender	Number of employees as at 1 April 2013	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	0	0	57	0	57
	Male	0	0	51	0	51
Technicians and associate professionals	Female	0	0	175	0	175
	Male	0	0	165	0	165
Clerks	Female	0	45	298	0	343
	Male	0	35	178	0	213
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	20	0	20
Elementary occupations	Female	0	0	211	0	211
	Male	0	0	477	0	477
Sub totals	Female	0	45	741	0	786
	Male	0	35	891	0	926
Total		0	80	1632	0	1712

4.3.14. 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 2014 and 31 March 2015

Nature of injury on duty	Number	% of total
Required basic medical attention only	10	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	10	100

4.3.15. Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2014 and 31 March 2015

Project Title	Total Number of consultants that worked on project	Duration (Work days)	Contract value in Rand
House Hold Travel Survey	5	30	5 197 171.94
Modelling Centre	12	MTEF	8 402 533.00
Route Determination K105 & K 142	5	MTEF	1 431 209.58
Maize Triangle	2	MTEF	1 295 000.00
ITMP - 25 Year Integrated Transport Master Plan	Consortium	255	19 875 000
Valuation of K54 between P154-1 (K22) (Old Bronkhorstspuit Road Rd) and K69 (Solomon Mahlangu) approximately 6.8km) as well as a section of 2561 from K54 to Tsamaya Rd (Mamelodi) approximately 2.2 km	2	90	R 220 392.60
Valuation of K46 (William Nichol) from PWV 5 to N14 (Diepsloot) 5 km	2	120	R 295 400.00

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
4	24	MTEF	36 200 914.52
2	4	210	R 515 792.60

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs for the period 1 April 2014 and 31 March 2015

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
House Hold Travel Survey	-	13.05%	6
Modelling Centre	-	13.05%	3
Route Determination K105 & K 142	51%	40%	0
Maize Triangle	45%	50%	2
Valuation of K54 between P154-1 (K22) (Old Bronkhorstspuit Road Rd) and K69 (Solomon Mahlangu) approximately 6.8km) as well as a section of 2561 from K54 to Tsamaya Rd (Mamelodi) approximately 2.2 km	-	-	-
Molefe Valuers and Assessors	100%	100%	3
CA Young Valuations	0%	0%	0
Valuation of K46 (William Nichol) from PWV 5 to N14 (Diepsloot) 5 km	-	-	-
Johan Prinsloo Valuers	0%	0%	0
Massel Property Services	26%	0%	1

Table 4.3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2014 and 31 March 2015

Project Title	Total Number of consultants that worked on project	Duration Work days	Donor and Contract value in Rand
Valuation of K54 between P154-1 (K22) (Old Bronkhorstspuit Road Rd) and K69 (Solomon Mahlangu) approximately 6.8km) as well as a section of 2561 from K54 to Tsamaya Rd (Mamelodi) approximately 2.2 km	-	-	-
Molefe Valuers and Assessors	100%	100%	3
CA Young Valuations	0%	0%	0
Valuation of K46 (William Nichol) from PWV 5 to N14 (Diepsloot) 5 km	-	-	-
Johan Prinsloo Valuers	0%	0%	0
Massel Property Services	26%	0%	1

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
K109	APHANE	2 9 / 0 4 / 1 4 - 31/07/15	1,000,000.00
P41/1	V & V	3 1 / 1 0 / 1 4 - 31/03/15	1,776,193.43
D1884	TSHEPAGA	0 1 / 0 1 / 1 5 - 15/12/15	500,000.00
P73/1	SMEC SA	5 / 1 1 / 1 4 - 31/12/15	497,868.21
D483	WSP GROUP	0 1 / 0 1 / 1 5 - 15/12/15	500,000.00
K101	CIVIL CONCEPTS	0 1 / 0 1 / 1 5 - 15/12/15	1,177,550.13
P241/1	NYELETI	0 1 / 0 1 / 1 5 - 31/10/15	422,627.98
PWV 17	HATCH GOBA	1 0 / 0 9 / 1 4 - 10/09/15	256,500.00
K148	NDODANA	1 1 / 0 8 / 1 4 - 02/02/16	1,008,076.33
P39/1	ELEMENT	0 1 / 1 2 / 1 5 - 30/09/15	0
K111	APHANE	0 1 / 0 1 / 1 5 - 31/10/15	250,218.60
P122	CIVAC	0 1 / 0 1 / 1 5 - 31/10/15	473,955.00
P249/1	ZIMILE	0 1 / 0 1 / 1 5 - 31/10/15	436,620.00
P126-1	ARUP	0 1 / 1 0 / 1 4 - 31/03/15	499,940.62
P103-1	ARUP	0 1 / 1 0 / 1 4 - 31/10/15	498,900.48



33	1852
62	110
429	75 262
3 054	63
135	455
93 293	3 494
	138
	95 153

542	720
9 570	12 25
71	

PART E:

FINANCIAL INFORMATION

ANNUAL FINANCIAL STATEMENTS FOR GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

For the year ended
31 March 2015

Contents

REPORT OF THE AUDITOR-GENERAL	162
APPROPRIATION STATEMENT	168
NOTES TO THE APPROPRIATION STATEMENT	197
STATEMENT OF FINANCIAL PERFORMANCE	200
STATEMENT OF FINANCIAL POSITION	201
CASH FLOW STATEMENT	202
NOTES TO THE ANNUAL FINANCIAL STATEMENTS.....	208
ANNEXURES (UNAUDITED SUPPLEMENTARY SCHEDULES)	233

Report of the Auditor-General to the Gauteng Provincial Legislature on vote no. 9: Gauteng Department of Roads and Transport

Report on the financial statements

Introduction

1. I have audited the financial statements of the Gauteng Department of Roads and Transport set out on pages 168 to 232 which comprise the appropriation statement, the statement of financial position as at 31 March 2015, the statement of financial performance and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standards (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and Division of Revenue Act 2013 (Act No.2 of 2014) (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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the department's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gauteng Department of Roads and Transport as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with the MCS and the requirements of the PFMA and DORA.

Emphasis of matters

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

Significant uncertainties

8. With reference to note 17.1 to the financial statements, the department is the defendant in various lawsuits. The ultimate outcome of the matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements.
9. With reference to note 17.2 to the financial statements, the department was the claimant in various lawsuits as a result of claims made against suppliers for service delivery concerns. The ultimate outcome of the matters cannot presently be determined; therefore a contingent asset was disclosed in the financial statements.

Restatement of corresponding figures

10. As disclosed in note 31.2.1 to the financial statements, the corresponding figures for 31 March 2014 have been restated as a result of errors discovered in the financial statements of the Gauteng Department of Roads and Transport for the year ended 31 March 2015.

Report on other legal and regulatory requirements

11. 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 findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2015:

- Programme 2: Transport Infrastructure on pages 59 to 76
- Programme 3: Transport Operations on pages 77 to 81
- Programme 4: Transport Regulations on pages 82 to 88

13. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

14. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).

15. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

16. The material findings in respect of the selected programmes are as follows:

Programme 2: Transport Infrastructure

Reliability of reported performance information

17. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Adequate and reliable corroborating evidence could not be provided for 25% of the targets to assess the reliability of the reported performance information. This was due to construction contracts not being available for audit purposes. The auditee's records did not permit the application of alternative audit procedures.

Programme 3: Transport Operations

Usefulness of reported performance information

18. Performance targets were not specific in clearly identifying the nature and required level of performance and were not measurable as required by the FMPPI.

Reliability of reported performance information

19. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significant targets were not reliable when compared to the source information or evidence provided. This is due to the fact that the indicators were not accurate enough for its intended use and did not respond to changes in the level of performance.
20. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. We were unable to obtain the information and explanations we considered necessary to satisfy ourselves as to the reliability of the reported performance information. This was due to the fact that the auditee could not provide sufficient appropriate evidence in support of the reported performance information and the auditee's records not permitting the application of alternative audit procedures.
21. I did not raise any material findings on the usefulness and reliability of the reported performance information for programme 4: Transport Regulations.

Additional matter

22. I draw attention to the following matter. My conclusion is not modified in respect of this matter:

Achievement of planned targets

23. Refer to the annual performance report on pages 52 to 88 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected programmes reported in paragraphs 17 to 20 of this report.

Compliance with legislation

24. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Expenditure management

25. The accounting officer did not take effective steps to prevent fruitless and wasteful expenditure as required by section 38(1)(c)(ii) of the PFMA and treasury regulation (TR) 9.1.1.

Procurement and contract management

26. Invitations for competitive bidding were not always advertised in at least the government tender bulletin and Construction Industry Development Board (CIDB) website, as required by section 16A6.3(c) of the TR and CIDB Regulation 24.

Conditional grants

27. The department did not evaluate its performance in respect of programmes or functions funded by the allocation, as required by section 11(6)(a) of the DORA in certain instances.

Internal control

28. I considered internal control relevant to my audit of the financial statements, the performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

29. There was a lack of effective oversight by the accounting officer regarding performance reporting and instances of non-compliance with certain laws and regulations. The action plan that was developed to address external and internal audit findings was not implemented effectively.

Financial and performance management

30. The programme directors did not have effective monitoring controls in place to ensure that performance reports are supported by complete, relevant and accurate information.

31. The supply chain management directorate did not adequately monitor compliance with the applicable laws and regulations mainly due to vacancies in critical positions within the department.

Other reports

Investigations

32. An independent consulting firm performed an investigation at the request of the department, which covered the period 1 April 2014 to 31 March 2015. The investigation was initiated based on an allegation of possible misappropriation of the department's assets. The investigation concluded on 13 November 2014 and resulted in disciplinary proceedings being instituted against three employees. These proceedings are currently in progress.
33. There are a number of investigations based on the allegations of procurement irregularities, and financial misconduct that are being performed by the department. These investigations were in progress at the reporting date.

Auditor General

Johannesburg

31 July 2015



GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Appropriation per programme									
APPROPRIATION STATEMENT	2014/15							2013/14	
	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
Programme									
1. Administration	273 457	-	19 895	293 352	271 476	21 876	92.5%	226 453	197 786
2. Transport Infrastructure	2 087 748	-	56 808	2 144 556	2 096 197	48 359	97.7%	1 866 373	1 673 919
3. Transport Operations	2 118 508	-	(77 583)	2 040 925	1 986 669	54 256	97.3%	1 912 232	1 847 366
4. Transport Regulation	241 955	-	880	242 835	205 993	36 842	84.8%	241 486	222 160
5. Gautrain Rapid Rail Link	1 311 748	-	-	1 311 748	1 311 748	-	100.0%	1 424 943	1 424 943
Subtotal	6 033 416	-	-	6 033 416	5 872 084	161 332	97.3%	5 671 487	5 366 174
TOTAL (brought forward)									
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				3 005 863				2 707 443	
Actual amounts per statement of financial performance (total revenue)				9 039 279				8 378 930	
ADD									
Prior year unauthorised expenditure approved without funding									80 096
Actual amounts per statement of financial performance (total expenditure)					5 872 084				5 446 270

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Appropriation per economic classification

	2014/15							2013/14	
	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
Economic classification									
Current payments	1 537 828	(62 889)	(19 895)	1 455 044	1 339 454	115 590	92.1%	1 413 058	1 321 952
Compensation of employees	591 364	-	-	591 364	488 559	102 805	82.6%	520 304	472 100
Salaries and wages	447 545	3 785	-	451 330	423 027	28 303	93.7%	415 899	410 758
Social contributions	143 819	(3 785)	-	140 034	65 532	74 502	46.8%	104 405	61 342
Goods and services	945 964	(62 676)	(19 895)	863 393	850 668	12 725	98.5%	890 538	849 466
Administrative fees	763	121	-	884	832	52	94.1%	742	631
Advertising	11 235	(1 827)	-	9 408	8 353	1 055	88.8%	14 505	13 712
Minor assets	439	996	-	1 435	1 843	(408)	128.4%	2 319	216
Audit costs: External	7 000	(1 563)	-	5 437	5 432	5	99.9%	5 497	5 834
Bursaries: Employees	1 815	(1 250)	-	565	562	3	99.4%	1 000	130
Catering: Departmental activities	3 040	(1 890)	(180)	970	894	76	92.2%	1 910	495
Communication	21 409	(7 383)	-	14 026	14 020	6	100.0%	21 879	15 869
Computer services	1 350	5 534	-	6 884	6 878	6	99.9%	11 772	12 599
Consultants: Business and advisory services	45 790	(13 898)	(11 435)	20 457	19 092	1 365	93.3%	47 914	43 363
Infrastructure and planning services	20 703	(3 352)	(7 580)	9 771	9 685	86	99.1%	31 121	5 616
Laboratory services	-	66	-	66	66	-	100.4%	30	175
Legal services	10 030	7 384	-	17 414	17 299	115	99.3%	9 978	9 663
Contractors	686 927	(18 023)	-	668 904	669 261	(357)	100.1%	573 665	535 266
Agency and support / outsourced services	1 010	(775)	-	235	231	4	98.4%	305	447
Entertainment	-	-	-	-	-	-	-	-	-

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Appropriation per economic classification

	2014/15							2013/14	
	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
Fleet services	15 908	(2 298)	-	13 610	10 840	2 770	79.6%	45 841	47 294
Inventory: Clothing material and accessories	-	47	-	47	45	2	94.9%	85	1 595
Inventory: Farming supplies	-	77	-	77	76	1	99.0%	-	-
Inventory: Food and food supplies	145	(140)	-	5	-	5	8.9%	64	10
Inventory: Fuel, oil and gas	5	250	-	255	254	1	99.4%	3 015	145
Inventory: Materials and supplies	3 840	(2 334)	-	1 506	1 466	40	97.3%	27 252	66 747
Inventory: Medical supplies	-	458	-	458	426	33	92.9%	30	-
Inventory: Other supplies	919	(80)	-	839	450	389	53.7%	-	-
Consumable supplies	2 038	(111)	-	1 927	1 985	(58)	103.0%	1 339	635
Consumable: Stationery, printing and office supplies	17 601	222	-	17 823	17 580	243	98.6%	17 764	17 180
Operating leases	11 000	(1 631)	-	9 369	8 568	801	91.4%	9 330	8 444
Property payments	51 529	(15 860)	-	35 669	35 658	11	100.0%	39 720	45 289
Transport provided: Departmental activity	180	531	-	711	705	6	99.2%	110	95
Travel and subsistence	18 058	(760)	(700)	16 598	10 614	5 988	63.9%	16 383	13 538
Training and development	6 450	(2 013)	-	4 437	4 429	8	99.8%	3 867	2 064
Operating payments	125	(15)	-	110	103	7	93.4%	228	152
Venues and facilities	6 655	(3 165)	-	3 490	3 022	468	86.6%	2 873	2 265
Rental and hiring	-	6	-	6	5	1	77.1%	-	-
Interest and rent on land	500	(213)	-	287	226	61	78.9%	2 216	386
Interest	500	(213)	-	287	226	61	78.9%	2 216	386

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Appropriation per economic classification

	2014/15							2013/14	
	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
Transfers and subsidies	3 495 321	3 845	-	3 499 166	3 470 779	28 387	99.2%	3 197 201	3 180 678
Provinces and municipalities	1 305	-	-	1 305	1 256	49	96.2%	1 400	783
Provinces	1 305	-	-	1 305	1 256	49	96.2%	1 400	783
Provincial agencies and funds	1 305	-	-	1 305	1 256	49	96.2%	1 400	783
Departmental agencies and accounts	1 311 748	-	-	1 311 748	1 311 748	-	100.0%	1 424 943	1 424 943
Departmental agencies and accounts (non-business entities)	1 311 748	-	-	1 311 748	1 311 748	-	100.0%	1 424 943	1 424 943
Public corporations and private enterprises	1 927 854	-	-	1 927 854	1 900 024	27 830	98.6%	1 764 794	1 750 973
Public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	1 927 854	-	-	1 927 854	1 900 024	27 830	98.6%	1 764 794	1 750 973
Subsidies on products and production	1 927 854	-	-	1 927 854	1 900 024	27 830	98.6%	1 764 794	1 750 973
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	254 414	3 845	-	258 259	257 751	508	99.8%	6 064	3 978
Other transfers to households	254 414	3 845	-	258 259	257 751	508	99.8%	6 064	3 978
Payments for capital assets	1 000 267	19 048	-	1 019 315	1 001 972	17 343	98.3%	960 876	843 291
Buildings and other fixed structures	933 714	6 901	-	940 615	938 426	2 189	99.8%	947 809	832 298
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	933 714	6 901	-	940 615	938 426	2 189	99.8%	947 809	832 298
Machinery and equipment	60 053	12 147	-	72 200	62 283	8 917	87.6%	12 742	9 899
Transport equipment	-	-	-	-	51 743	(51 743)	-	-	-
Other machinery and equipment	60 053	12 147	-	72 200	11 540	60 660	16.0%	12 742	9 899
Intangible assets	6 500	-	-	6 500	264	6 236	4.1%	325	1 093
Payments for financial assets	-	39 996	19 895	59 891	59 880	11	100.0%	100 352	20 254
Total	6 033 416	-	-	6 033 416	5 872 084	161 332	97.3%	5 671 487	5 366 174

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

PROGRAMME 1: ADMINISTRATION									
	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
OFFICE OF THE MEC	11 647	(3 632)	-	8 015	7 905	110	98.6%	10 303	6 971
MANAGEMENT OF THE DEPARTMENT	15 433	(3 450)	-	11 983	11 858	125	99.0%	14 480	10 338
CORPORATE SUPPORT	241 009	7 082	19 895	267 986	250 429	17 557	93.4%	194 589	179 516
DEPARTMENTAL STRATEGY	5 368	-	-	5 368	1 267	4 101	23.6%	7 081	961
Total for sub programmes	273 457	-	19 895	293 352	271 460	21 892	92.5%	226 453	197 786
Economic classification									
Current payments	250 048	(39 734)	-	210 314	203 613	6 701	96.8%	217 060	192 533
Compensation of employees	130 440	-	-	130 440	124 169	6 271	95.2%	139 192	114 707
Salaries and wages	93 573	-	-	93 573	110 204	(16 631)	117.8%	108 328	102 098
Social contributions	36 867	-	-	36 867	13 965	22 902	37.9%	30 864	12 610
Goods and services	119 478	(39 614)	-	79 864	79 452	412	99.5%	77 810	77 770
Administrative fees	500	54	-	554	555	(1)	100.2%	380	514
Advertising	5 575	(1 678)	-	3 897	3 881	16	99.6%	7 110	8 064
Minor assets	390	230	-	620	1 123	(503)	181.2%	1 243	28
Audit costs: External	7 000	(1 563)	-	5 437	5 432	5	99.9%	5 497	5 834
Bursaries: Employees	1 815	(1 250)	-	565	562	3	99.4%	1 000	130
Catering: Departmental activities	2 167	(1 350)	-	817	797	20	97.6%	1 754	335
Communication	20 309	(6 350)	-	13 959	13 957	2	100.0%	17 379	12 252
Computer services	950	5 387	-	6 337	6 335	2	100.0%	5 922	7 468
Consultants: Business and advisory services	8 530	(6 575)	-	1 955	1 809	146	92.5%	7 395	3 483

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Economic classification	2014/15							2013/14	
	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure	Final	Actual
	Appropriation	Funds		Appropriation	Expenditure		as % of final appropriation	Appropriation	expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Legal services	1 708	2 045	-	3 753	3 751	2	99.9%	2 120	1 747
Contractors	6 670	(2 660)	-	4 010	4 006	4	99.9%	1 706	313
Agency and support / outsourced services	-	-	-	-	-	-	-	-	186
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	6 756	(3 190)	-	3 566	3 555	11	99.7%	5 097	10 297
Inventory: Clothing material and supplies	-	23	-	23	22	1	96.1%	-	-
Inventory: Farming supplies	-	77	-	77	76	1	99.0%	-	-
Inventory: Food and food supplies	145	(140)	-	5	-	5	-	52	3
Inventory: Fuel, oil and gas	-	207	-	207	206	1	99.6%	-	0
Inventory: Materials and supplies	3 450	(2 760)	-	690	254	436	36.8%	-	3
Inventory: Medical supplies	-	426	-	426	426	1	99.9%	-	-
Inventory: Other supplies	919	(80)	-	839	831	8	99.1%	-	-
Consumable supplies	1 460	91	-	1 551	1 614	(63)	104.0%	529	237
Consumable: Stationery, printing and office supplies	6 379	(2 825)	-	3 554	3 484	70	98.0%	4 716	4 483
Operating leases	1 000	(350)	-	650	648	2	99.7%	3 250	2 365
Property payments	26 529	(8 670)	-	17 859	17 851	8	100.0%	3 740	14 815
Transport provided:	180	531	-	711	705	6	99.2%	110	95
Departmental activity									
Travel and subsistence	4 836	(3 565)	-	1 271	1 198	73	94.3%	3 253	1 573
Training and development	6 450	(2 185)	-	4 265	4 261	4	99.9%	3 057	1 375
Operating payments	40	-	-	40	39	1	98.1%	65	-
Venues and facilities	5 720	(3 500)	-	2 220	2 068	152	93.2%	2 435	2 170
	2014/15							2013/14	

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

	Adjusted Appropriation	Final Appropriation	Final Appropriation	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Rental and hiring	-	6	-	6	5	1	77.1%	-	-
Interest and rent on land	130	(120)	-	10	9	1	86.6%	58	56
Interest	130	(120)	-	10	9	1	86.6%	58	56
Transfers and subsidies	509	27	-	536	345	191	64.3%	2 735	667
Provinces and municipalities	5	-	-	5	4	1	73.7%	-	-
Provinces	5	-	-	5	4	1	73.7%	-	-
Provincial agencies and funds	5	-	-	5	4	1	73.7%	-	-
Households	504	27	-	531	341	190	64.2%	2 735	667
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	504	27	-	531	341	190	64.2%	2 735	667
Payments for capital assets	22 900	-	-	22 900	7 909	14 991	34.5%	6 567	4 495
Buildings and other fixed structures	-	28	-	28	27	1	96.4%	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	28	-	28	27	1	96.4%	-	-
Machinery and equipment	16 400	(28)	-	16 372	7 618	8 754	46.5%	6 512	4 442
Transport equipment	-	-	-	-	703	(703)	-	-	-
Other machinery and equipment	16 400	(28)	-	16 372	6 915	9 457	42.2%	6 512	4 442
Intangible assets	6 500	-	-	6 500	264	6 236	4.1%	55	53
Payments for financial assets	-	39 707	19 895	59 602	59 593	9	100.0%	91	91
Total	273 457	-	19 895	293 352	271 476	21 876	92.5%	226 453	197 786

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Subprogramme									
	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
1.1: Office of the MEC									
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	11 509	(3 659)	-	7 850	7 866	(16)	100.2%	9 679	6 909
Compensation of employees	5 571	-	-	5 571	5 620	(49)	100.9%	4 805	4 337
Goods and services	5 938	(3 659)	-	2 279	2 246	33	98.6%	4 874	2 572
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5	27	-	32	30	2	92.8%	-	-
Provinces and municipalities	5	-	-	5	4	1	73.7%	-	-
Households	-	27	-	27	26	1	96.3%	-	-
Payments for capital assets	133	-	-	133	10	123	7.4%	624	62
Machinery and equipment	133	-	-	133	10	123	7.4%	624	62
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	11 647	(3 632)	-	8 015	7 905	110	98.6%	10 303	6 971

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Subprogramme									
	2014/15							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
1.2: Management of the Department	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	15 033	(3 452)	-	11 581	11 716	(135)	101.2%	13 856	10 086
Compensation of employees	10 750	-	-	10 750	10 926	(176)	101.6%	10 500	8 497
Goods and services	4 283	(3 452)	-	831	789	42	95.0%	3 356	1 589
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Payments for capital assets	400	-	-	400	141	259	35.3%	624	252
Machinery and equipment	400	-	-	400	141	259	35.3%	624	252
Payments for financial assets	-	2	-	2	1	1	31.6%	-	-
Total	15 433	(3 450)	-	11 983	11 858	125	99.0%	14 480	10 338

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Subprogramme									
	2014/15							2014/15	
	Adjusted	Shifting of		Final	Actual		Expenditure	Final	Actual
1.3: Corporate Support	Appropriation	Funds	Virement	Appropriation	Expenditure	Variance	as % of final	Appropriation	expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	218 242	(32 623)	-	185 619	182 782	2 837	98.5%	186 575	174 585
Compensation of employees	110 151	-	-	110 151	107 218	2 933	97.3%	117 681	101 451
Goods and services	107 961	(32 503)	-	75 458	75 572	(114)	100.2%	68 836	73 078
Interest and rent on land	130	(120)	-	10	9	1	86.6%	58	56
Transfers and subsidies	500	-	-	500	312	188	62.4%	2 735	667
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	500	-	-	500	312	188	62.4%	2 735	667
Payments for capital assets	22 267	-	-	22 267	7 743	14 524	34.8%	5 195	4 180
Buildings and other fixed structures	-	28	-	28	27	1	96.4%	-	-
Machinery and equipment	15 767	(28)	-	15 739	7 452	8 287	47.3%	5 140	4 127
Intangible assets	6 500	-	-	6 500	264	6 236	4.1%	55	53
Payments for financial assets	-	39 705	19 895	59 600	59 592	8	100.0%	84	84
Total	241 009	7 082	19 895	267 986	250 429	17 557	93.4%	194 589	179 516

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Subprogramme									
	2014/15							2014/15	
	Adjusted	Shifting of		Final	Actual		Expenditure	Final	Actual
1.4. Departmental Strategy	Appropriation	Funds	Virement	Appropriation	Expenditure	Variance	as % of final appropriation	Appropriation	expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5 264	-	-	5 264	1 249	4 015	23.7%	6 950	954
Compensation of employees	3 968	-	-	3 968	404	3 564	10.2%	6 206	422
Goods and services	1 296	-	-	1 296	845	451	65.2%	744	531
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	4	-	-	4	3	1	75.0%	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	4	-	-	4	3	1	75.0%	-	-
Payments for capital assets	100	-	-	100	15	85	14.5%	124	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	100	-	-	100	15	85	14.5%	124	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	7	7
Total	5 368	-	-	5 368	1 267	4 101	23.6%	7 081	961

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

PROGRAMME 2: TRANSPORT INFRASTRUCTURE									
	2014/15							2013/14	
	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
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 INFRASTRUCTURE PLANNING	52 027	(3 020)	(8915)	40 092	33 156	6 936	82.7%	49 049	34 702
2.2 INFRASTRUCTURE DESIGN	113 371	(362)	-	113 009	98 038	14 971	86.8%	161 432	129 533
2.3 CONSTRUCTION	863 849	(4 547)	65 723	925 025	902 122	22 903	97.5%	499 568	409 078
2.4 MAINTENANCE	760 012	16 804	-	776 816	782 757	(5 941)	100.8%	1 089 718	1 061 276
2.5 PROGRAM SUPPORT INFRASTRUCTURE	298 489	(8 875)	-	289 614	280 125	9 489	96.7%	66 606	39 330
Total for sub programmes	2 087 748	-	56 808	2 144 556	2 096 197	48 359	97.7%	1 866 373	1 673 918
Economic classification									
Current payments	1 015 205	(22 112)	(8 915)	984 178	933 081	51 097	94.8%	951 212	906 889
Compensation of employees	268 577	-	-	268 577	226 994	41 583	84.5%	233 122	233 117
Salaries and wages	205 480	3 785	-	209 265	194 190	15 075	92.8%	191 548	200 759
Social contributions	63 097	(3 785)	-	59 312	32 804	26 508	55.3%	41 574	32 358
Goods and services	746 558	(22 316)	(8 915)	715 327	705 872	9 455	98.7%	716 297	673 723
Administrative fees	243	70	-	313	260	53	83.2%	332	118
Advertising	4 240	41	-	4 281	3 245	1 036	75.8%	4 803	3 935
Minor assets	29	175	-	204	197	7	96.6%	840	48
Catering: Departmental activities	293	-	(180)	113	87	26	77.0%	46	60
Communication	-	40	-	40	39	1	97.0%	3 300	2 534
Computer services	-	80	-	80	78	2	96.9%	300	83
Consultants: Business and advisory services	460	-	(455)	5	-	5	-	500	-
Infrastructure and planning services	20 703	(3 352)	(7 580)	9 771	9 685	86	99.1%	31 121	5 616
Laboratory services	-	66	-	66	66	-	100.4%	30	175

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Economic classification	2014/15							2013/14	
	Adjusted	Final	Final	Final	Actual	Variance	Expenditure	Final	Actual
	Appropriation	Appropriation	Appropriation	Appropriation	Expenditure		as % of final	Appropriation	expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Legal services	5 100	168	-	5 268	5 157	111	97.9%	4 048	6 070
Contractors	678 757	(14 848)	-	663 909	64 270	(361)	100.1%	571 069	532 570
Agency and support / outsourced services	10	-	-	10	7	3	73.1%	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	3 516	142	-	3 658	1 304	2 354	35.7%	30 750	28 373
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	85	1 595
Inventory: Food and food supplies	-	-	-	-	-	-	-	5	2
Inventory: Fuel, oil and gas	5	43	-	48	47	1	98.6%	3 015	145
Inventory: Materials and supplies	330	476	-	806	795	11	98.6%	27 042	66 548
Inventory: Medical supplies	-	-	-	-	-	-	-	30	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	18	10	-	28	26	2	92.4%	327	55
Consumable: Stationery, printing and office supplies	1 000	37	-	1 037	993	44	95.8%	1 686	1 691
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	21 000	(9 235)	-	11 765	11 764	1	100.0%	25 760	13 356
Travel and subsistence	10 634	3 599	(700)	13 533	7 681	5 852	56.8%	10 430	10 124
Training and development	-	172	-	172	168	4	97.6%	640	617
Operating payments	5	-	-	5	3	2	54.3%	-	0
Venues and facilities	215	-	-	215	-	215	-	138	8
Interest and rent on land	70	204	-	274	215	59	78.5%	1 793	49
Interest	70	204	-	274	215	59	78.5%	1 793	49

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

	2014/15							2013/14	
	Final Appropriation R'000	Final Appropriation R'000	Final Appropriation R'000	Final Appropriation R'000	Final Appropriation R'000	Final Appropriation R'000	Final Appropriation R'000	Final Appropriation R'000	Final Appropriation R'000
Economic classification									
Transfers and subsidies	254 372	3 818	-	258 190	258 134	56	100.0%	4 984	3 883
Provinces and municipalities	1 300	-	-	1 300	1 252	48	96.3%	1 400	783
Provinces	1 300	-	-	1 300	1 252	48	96.3%	1 400	783
Provincial agencies and funds	1 300	-	-	1 300	1 252	48	96.3%	1 400	783
Public corporations and private enterprises	-	-	-	-	-	-	-	450	-
Private enterprises	-	-	-	-	-	-	-	450	-
Subsidies on products and production	-	-	-	-	-	-	-	450	-
Households	253 072	3 818	-	256 890	256 882	8	100.0%	3 134	3 100
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	253 072	3 818	-	256 890	256 882	8	100.0%	3 134	3 100
Payments for capital assets	818 171	18 015	65 723	901 909	904 704	(2 795)	100.3%	815 389	748 454
Buildings and other fixed structures	776 318	6 873	65 723	848 914	851 823	(2 909)	100.3%	812 732	745 046
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	776 318	6 873	65 723	848 914	851 823	(2 909)	100.3%	812 732	745 046
Machinery and equipment	41 853	11 142	-	52 995	52 882	113	99.8%	2 387	3 140
Transport equipment	-	-	-	-	348	(348)	-	-	-
Other machinery and equipment	41 853	11 142	-	52 995	52 533	462	99.1%	2 387	3 140
Intangible assets	-	-	-	-	-	-	-	270	268
Payments for financial assets	-	279	-	279	278	1	99.5%	94 788	14 692
Total	2 087 748	-	56 808	2 144 556	2 096 197	48 359	97.7%	1 866 373	1 673 918

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Subprogramme									
2014/15								2013/14	
	Adjusted	Shifting of		Final	Actual		Expenditure	Final	Actual
2.1: Infrastructure Planning	Appropriation	Funds	Virement	Appropriation	Expenditure	Variance	as % of final appropriation	Appropriation	expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	50 947	(3 763)	(8 915)	38 269	31 779	6 490	83.0%	48 503	34 510
Compensation of employees	26 830	-	-	26 830	20 720	6 110	77.2%	22 434	21 874
Goods and services	24 117	(3 763)	(8 915)	11 439	11 060	379	96.7%	26 069	12 635
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	72	743	-	815	812	3	99.6%	82	81
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Households	72	743	-	815	812	3	99.6%	82	81
Payments for capital assets	1 008	-	-	1 008	564	444	56.0%	464	111
Machinery and equipment	1 008	-	-	1 008	564	444	56.0%	464	111
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	52 027	(3 020)	(8 915)	40 092	33 156	6 936	82.7%	49 049	34 702

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Subprogramme									
	2014/15							2013/14	
	Adjusted	Shifting of		Final	Actual		Expenditure	Final	Actual
	Appropriation	Funds	Virement	Appropriation	Expenditure	Variance	as % of final appropriation	Appropriation	expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	57 997	3 301	-	61 298	47 575	13 723	77.6%	60 119	58 056
Compensation of employees	43 967	-	-	43 967	30 312	13 655	68.9%	36 355	32 745
Goods and services	14 030	3 301	-	17 331	17 263	68	99.6%	23 764	25 311
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	358	-	358	356	2	99.4%	-	-
Households	-	358	-	358	356	2	99.4%	-	-
Payments for capital assets	55 374	(4 023)	-	51 351	50 104	1 247	97.6%	86 848	57 012
Buildings and other fixed structures	55 374	(4 105)	-	51 269	50 024	1 245	97.6%	86 848	57 012
Machinery and equipment	-	82	-	82	80	2	97.3%	-	-
Payments for financial assets	-	2	-	2	2	-	119.5%	14 465	14 465
Total	113 371	(362)	-	113 009	98 038	14 971	86.8%	161 432	129 533

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Subprogramme									
	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
2.3: Construction									
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	190 395	(20 200)	-	170 195	147 975	22 204	86.9%	41 727	39 525
Compensation of employees	90 524	(32 350)	-	58 174	36 356	21 818	62.5%	41 727	39 525
Goods and services	99 871	12 150	-	112 021	111 619	402	99.6%	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	595	-	595	596	(1)	100.2%	-	-
Households	-	595	-	595	596	(1)	100.2%	-	-
Payments for capital assets	673 454	15 055	65 723	754 232	753 547	685	99.9%	377 739	369 547
Buildings and other fixed structures	673 454	15 055	65 723	754 232	753 547	685	99.9%	377 739	369 547
Payments for financial assets	-	3	-	3	3	-	108.6%	80 102	6
Total	863 849	(4 547)	65 723	925 025	902 122	22 903	97.5%	499 568	409 078

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Subprogramme									
	2014/15							2013/14	
	Adjusted	Shifting of		Final	Actual		Expenditure	Final	Actual
	Appropriation	Funds	Virement	Appropriation	Expenditure	Variance	as % of final	Appropriation	expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	671 977	8 840	-	680 817	681 615	(798)	100.1%	739 348	739 939
Compensation of employees	107 256	32 350	-	139 606	139 606	-	100.0%	125 677	138 969
Goods and services	564 721	(23 714)	-	541 007	541 805	(798)	100.1%	613 671	600 970
Interest and rent on land	-	204	-	204	204	-	100.0%	-	-
Transfers and subsidies	1 300	1 850	-	3 150	3 100	50	98.4%	2 219	1 976
Provinces and municipalities	1 300	-	-	1 300	1 252	48	96.3%	1 000	783
Households	-	1 850	-	1 850	1 848	2	99.9%	1 219	1 193
Payments for capital assets	86 735	5 923	-	92 658	97 851	(5 193)	105.6%	348 145	319 356
Buildings and other fixed structures	47 490	(4 077)	-	43 413	48 267	(4 854)	111.2%	348 145	318 465
Machinery and equipment	39 245	10 000	-	49 245	49 584	(339)	100.7%	-	891
Payments for financial assets	-	191	-	191	191	-	100.0%	6	6
Total	760 012	16 804	-	776 816	782 757	(5 941)	100.8%	1 089 718	1 061 277

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Subprogramme									
	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	43 889	(10 290)	-	33 599	24 136	9 463	71.8%	61 515	34 860
Compensation of employees	-	-	-	-	-	-	-	6 929	4
Goods and services	43 819	(10 290)	-	33 529	24 125	9 404	72.0%	52 793	34 807
Interest and rent on land	70	-	-	70	11	59	16.0%	1 793	49
Transfers and subsidies	253 000	272	-	253 272	253 270	2	100.0%	2 683	1 826
Provinces and municipalities	-	-	-	-	-	-	-	400	0
Public corporations and private enterprises	-	-	-	-	-	-	-	450	-
Households	253 000	272	-	253 272	253 270	2	100.0%	1 833	1 826
Payments for capital assets	1 600	1 060	-	2 660	2 638	22	99.2%	2 193	2 429
Buildings and other fixed structures	-	-	-	-	-	-	-	-	22
Machinery and equipment	1 600	1 060	-	2 660	2 638	22	99.2%	1 923	2 139
Intangible assets	-	-	-	-	-	-	-	270	268
Payments for financial assets	-	83	-	83	81	2	97.6%	215	214
Total	298 489	(8 875)	-	289 614	280 125	9 489	96.7%	66 606	39 330

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

PROGRAMME 3: TRANSPORT OPERATIONS									
	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 PUBLIC TRANSPORT SERVICES	2 099 496	-	(76 973)	2 022 523	1 974 799	47 724	97.6%	1 899 125	1 842 137
3.2 PROGRAMME SUPPORT OPERATIONS	19 012	-	(610)	18 402	11 870	6 532	64.5%	13 107	5 229
Total for sub programmes	2 118 508	-	(77 583)	2 040 925	1 986 669	54 256	97.3%	1 912 232	1 847 366
Economic classification									
Current payments	79 963	(350)	(10 980)	68 633	46 589	22 044	67.9%	56 369	40 151
Compensation of employees	42 213	-	-	42 213	22 103	20 110	52.4%	31 118	18 604
Salaries and wages	34 203	-	-	34 203	19 225	14 978	56.2%	22 651	16 212
Social contributions	8 010	-	-	8 010	2 878	5 132	35.9%	8 467	2 393
Goods and services	37 750	(350)	(10 980)	26 420	24 486	1 934	92.7%	25 251	21 547
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	400	320	-	720	718	2	99.7%	64	244
Minor assets	-	7	-	7	8	-1	119.8%	60	-
Catering: Departmental activities	30	-	-	30	-	30	-	-	1
Communication	-	-	-	-	-	-	-	-	10
Consultants: Business and advisory services	32 000	(4 190)	(10 980)	16 830	15 624	1 206	92.8%	18 944	18 805
Legal services	2 120	(4 810)	-	6 930	6 930	-	100.0%	2 010	720
Fleet services	1 000	(350)	-	650	248	402	38.2%	1 900	714
Consumable supplies	-	3	-	3	2	1	50.2%	28	0
Consumable: Stationery, printing and office supplies	350	(150)	-	200	69	131	34.4%	455	117

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure	Final	Actual
	Appropriation	Funds		Appropriation	Expenditure		as % of final	Appropriation	expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Economic classification									
Travel and subsistence	1 750	(800)	-	950	887	63	93.4%	1 390	902
Training and development	-	-	-	-	-	-	-	100	10
Venues and facilities	100	-	-	100	-	100	-	300	23
Transfers and subsidies	1 927 954	-	-	1 927 954	1 900 024	27 930	98.6%	1 764 374	1 750 999
Public corporations and private enterprises	1 927 854	-	-	1 927 854	1 900 024	27 830	98.6%	1 764 344	1 750 973
Private enterprises	1 927 854	-	-	1 927 854	1 900 024	27 830	98.6%	1 764 344	1 750 973
Subsidies on products and production	1 927 854	-	-	1 927 854	1 900 024	27 830	98.6%	1 764 344	1 750 973
Households	100	-	-	100	-	100	-	30	26
Other transfers to households	100	-	-	100	-	100	-	30	26
Payments for capital assets	110 591	350	(66 603)	44 338	40 056	4 282	90.3%	86 039	50 768
Buildings and other fixed structures	109 891	-	(66 603)	43 288	39 012	4 276	90.1%	85 580	50 768
Buildings	-	-	-	-	-	-	-	1 272	1 271
Other fixed structures	109 891	-	(66 603)	43 288	39 012	4 276	90.1%	85 580	50 768
Machinery and equipment	700	350	-	1 050	1 044	6	99.4%	459	-
Transport equipment	-	-	-	-	464	(464)	-	-	-
Other machinery and equipment	700	350	-	1 050	580	470	55.2%	459	-
Payments for financial assets	-	-	-	-	-	-	-	5 450	5 448
Total	2 118 508	-	(77 583)	2 040 925	1 986 669	54 256	97.3%	1 912 232	1 847 366

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Subprogramme									
	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
3.1: Public Transport Services									
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	61 751	-	(10 370)	51 381	35 763	15 618	69.6%	43 721	34 922
Compensation of employees	35 751	-	-	35 751	20 139	15 612	56.3%	25 027	16 299
Goods and services	26 000	-	(10 370)	15 630	15 624	6	100.0%	18 694	18 623
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 927 854	-	-	1 927 854	1 900 024	27 830	98.6%	1 764 374	1 750 999
Public corporations and private enterprises	1 927 854	-	-	1 927 854	1 900 024	27 830	98.6%	1 764 344	1 750 973
Households	-	-	-	-	-	-	-	30	26
Payments for capital assets	109 891	-	(66 603)	43 288	39 012	4 276	90.1%	85 580	50 768
Buildings and other fixed structures	109 891	-	(66 603)	43 288	39 012	4 276	90.1%	85 580	50 768
Payments for financial assets	-	-	-	-	-	-	-	5 450	5 448
Total	2 099 496	-	(76 973)	2 022 523	1 974 799	47 724	97.6%	1 899 125	1 842 137

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
3.2: Programme Support Operations									
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	18 212	(350)	(610)	17 252	10 826	6 426	62.8%	12 648	5 229
Compensation of employees	6 462	-	-	6 462	1 964	4 498	30.4%	6 091	2 305
Goods and services	11 750	(350)	(610)	10 790	8 862	1 928	82.1%	6 557	2 924
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	100	-	-	100	-	100	-	-	-
Households	100	-	-	100	-	100	-	-	-
Payments for capital assets	700	350	-	1 050	1 044	6	99.4%	459	-
Machinery and equipment	700	350	-	1 050	1 044	6	99.4%	459	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	19 012	-	(610)	18 402	11 870	6 532	64.5%	13 107	5 229

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

PROGRAMME 4: TRANSPORT REGULATION									
	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1.TRANSPORT ADMIN & LICENSING	155 773	7 313	880	163 966	161 897	2 069	98.7%	158 705	165 314
4.2.OPERATING LICENSING & PERMITS	86 182	(7 313)	-	78 869	44 096	34 773	55.9%	82 781	56 846
Total for sub programmes	241 955	-	880	242 835	205 993	36 842	84.8%	241 486	222 160
Economic classification									
Current payments	192 612	(693)	-	191 919	156 154	35 765	81.4%	188 417	182 379
Compensation of employees	150 134	-	-	150 134	115 293	34 841	76.8%	116 872	105 672
Salaries and wages	114 289	-	-	114 289	99 408	14 881	87.0%	93 372	91 689
Social contributions	35 845	-	-	35 845	15 884	19 961	44.3%	23 500	13 982
Goods and services	42 178	(396)	-	41 782	40 858	924	97.8%	71 180	76 426
Administrative fees	20	(3)	-	17	16	1	94.2%	30	-
Advertising	1 020	(510)	-	510	509	1	99.7%	2 528	1 469
Minor assets	20	584	-	604	514	90	85.1%	176	140
Catering: Departmental activities	550	(540)	-	10	10	-	102.1%	110	99
Communication	1 100	(1 073)	-	27	24	3	90.5%	1 200	1 073
Computer services	400	67	-	467	466	1	99.7%	5 550	5 048
Consultants: Business and advisory services	4 800	(3 133)	-	1 667	1 659	8	99.5%	21 075	21 074
Legal services	1 102	361	-	1 463	1 461	2	99.9%	1 800	1 126
Contractors	1 500	(515)	-	985	984	1	99.9%	890	2 382
Agency and support / outsourced services	1 000	(775)	-	225	224	1	99.5%	305	260
Entertainment	-	-	-	-	-	-	-	-	-

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Economic classification	2014/15							2013/14	
	Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure	Final	Actual
	Appropriation	Funds		Appropriation	Expenditure		as % of final appropriation	Appropriation	expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Fleet services	4 636	1 100	-	5 736	5 732	4	99.9%	8 094	7 910
Inventory: Clothing material and accessories	-	24	-	24	23	1	93.8%	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	7	5
Inventory: Materials and supplies	60	(50)	-	10	36	(26)	362.1%	210	196
Inventory: Medical supplies	-	32	-	32	-	32	-	-	-
Consumable supplies	560	(215)	-	345	344	1	99.8%	455	343
Consumable: Stationery, printing and office supplies	9 872	3 160	-	13 032	13 034	(2)	100.0%	10 907	10 889
Operating leases	10 000	(1 281)	-	8 719	7 919	800	90.8%	6 080	6 079
Property payments	4 000	2 045	-	6 045	6 044	1	100.0%	10 220	17 118
Travel and subsistence	838	6	-	844	844	0	100.0%	1 310	939
Training and development	-	-	-	-	-	-	-	70	61
Operating payments	80	(15)	-	65	61	4	93.6%	163	151
Venues and facilities	620	335	-	955	953	2	99.8%	-	63
Interest and rent on land	300	(297)	-	3	3	0	88.6%	365	282
Interest	300	(297)	-	3	3	0	88.6%	365	282
Transfers and subsidies	738	-	-	738	528	210	71.5%	165	185
Households	738	-	-	738	528	210	71.5%	165	185
Other transfers to households	738	-	-	738	528	210	71.5%	165	185
Payments for capital assets	48 605	683	880	50 168	49 303	865	98.3%	52 881	39 573
Buildings and other fixed structures	47 505	-	880	48 385	47 548	837	98.3%	49 497	36 484
Buildings	-	-	-	-	-	-	-	-	-

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Other fixed structures	47 505	-	880	48 385	47 548	837	98.3%	49 497	36 484
Machinery and Equipment	1 100	683	-	1 783	1 755	28	98.4%	3 384	2 318
Transport Equipment	-	-	-	-	1 037	(1 037)	-	-	-
Other machinery and equipment	1 100	683	-	1 783	718	1 065	40.3%	3 384	2 318
Intangible assets	-	-	-	-	-	-	-	-	772
Payments for financial assets	-	10	-	10	9	1	90.2%	23	23
Total	241 955	-	880	242 835	205 993	36 842	84.8%	241 486	222 160

Subprogramme									
	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
4.1: Transport Admin & Licensing	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	112 673	3 420	-	116 093	114 195	1 898	98.4%	132 728	140 915
Current payments	85 373	-	-	85 373	84 303	1 070	98.7%	76 118	76 051
Compensation of employees	27 300	3 420	-	30 720	29 891	829	97.3%	56 245	64 583
Goods and services	-	-	-	-	1	(1)	-	365	282
Interest and rent on land	600	-	-	600	433	167	72.2%	130	129
Households	600	-	-	600	433	167	72.2%	130	129
Transfers and subsidies	42 500	3 883	880	47 263	47 260	3	100.0%	25 843	24 266
Buildings and other fixed structures	42 000	3 200	880	46 080	46 077	3	100.0%	23 397	21 457
Machinery and equipment	500	683	-	1 183	1 183	0	100.0%	2 446	2 037
Intangible assets	-	-	-	-	-	-	-	-	772
Payments for financial assets	-	10	-	10	9	1	90.2%	4	4
Total	155 773	7 313	880	163 966	161 897	2 069	98.7%	158 705	165 314

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

2014/15							2013/14		
	Adjusted	Shifting of		Final	Actual		Expenditure		
4.2: Operating Licensing & Permits	Appropriation	Funds	Virement	Appropriation	Expenditure	Variance	as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	79 939	(4 113)	-	75 826	41 958	33 868	55.3%	55 689	41 464
Compensation of employees	64 761	-	-	64 761	30 990	33 771	47.9%	40 754	29 621
Goods and services	14 878	(3 816)	-	11 062	10 967	95	99.1%	14 935	11 843
Interest and rent on land	300	(297)	-	3	2	1	54.0%	-	-
Transfers and subsidies	138	-	-	138	95	43	68.8%	35	56
Households	138	-	-	138	95	43	68.8%	35	56
Payments for capital assets	6 105	(3 200)	-	2 905	2 043	862	70.3%	27 038	15 308
Buildings and other fixed structures	5 505	(3200)	-	2 305	1 471	834	63.8%	26 100	15 027
Machinery and equipment	600	-	-	600	572	28	95.3%	938	281
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	19	19
Total	86 182	(7 313)	-	78 869	44 096	34 773	55.9%	82 781	56 846

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

PROGRAMME 5: GAUTRAIN RAPID RAIL LINK									
	2014/15							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
GAUTRAIN	1 311 748	-	-	1 311 748	1 311 748	-	100.0%	1 424 943	1 424 943
Total for sub programmes	1 311 748	-	-	1 311 748	1 311 748	-	100.0%	1 424 943	1 424 943
Economic classification									
Transfers and subsidies	1 311 748	-	-	1 311 748	1 311 748	-	100.0%	1 424 943	1 424 943
Departmental agencies and accounts	1 311 748	-	-	1 311 748	1 311 748	-	100.0%	1 424 943	1 424 943
Departmental agencies (non-business entities)	1 311 748	-	-	1 311 748	1 311 748	-	100.0%	1 424 943	1 424 943
Total	1 311 748	-	-	1 311 748	1 311 748	-	100.0%	1 424 943	1 424 943

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2015

Subprogramme									
	2014/15							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
5.1: Gautrain									
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	1 311 748	-	-	1 311 748	1 311 748	-	100.0%	1 424 943	1 424 943
Departmental agencies and accounts	1 311 748	-	-	1 311 748	1 311 748	-	100.0%	1 424 943	1 424 943
Departmental agencies (non-business entities)	1 311 748	-	-	1 311 748	1 311 748	-	100.0%	1 424 943	1 424 943
Total	1 311 748	-	-	1 311 748	1 311 748	-	100.0%	1 424 943	1 424 943

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

VOTE 9

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2015

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure1(A-D) to the Annual Financial Statements.

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

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

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.

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	293 352	271 476	21 876	7%
Transport Infrastructure	2 144 556	2 096 197	48 359	2%
Transport Operations	2 040 925	1 986 669	54 256	3%
Transport Regulation	242 835	205 993	36 842	15%
Gautrain Rapid Rail Link	1 311 748	1 311 748	-	0%

The Department has a total under pending of R161.332 million. This was within the programmes as follows:

1. Administration - R21 875 million

The under spending is mainly as a result of the capital assets in the form of computers, laptops, printers, furniture for new staff etc. that were not purchased. This was impacted by the challenges faced with the filling of posts throughout the Department

2. Transport Infrastructure - R48 359 million

The under spending is mainly as a result of the budget for compensation of employees that was not depleted by the end of the financial year.

3. Transport Operations - R54 256 million

The under spending is as a result of the budget for compensation of employees that was not depleted by the end of the financial year, as well as a few invoices for the bus subsidies that were not processed in time before the last payment run.

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2015

4. Transport Regulation - R36 842 million

The under spending is mainly as a result of the budget for compensation of employees that was not depleted by the end of the financial year.

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	591 364	488 559	102 805	17%
Goods and services	863 393	850 668	12 725	1%
Interest and rent on land	287	226	61	21%
Transfers and subsidies				
Provinces and municipalities	1 305	1 256	49	4%
Departmental agencies and accounts	1 311 748	1 311 748	-	0%
Public corporations and private enterprises	1 927 854	1 900 024	27 830	1%
Households	258 259	257 751	508	0%
Payments for capital assets				
Buildings and other fixed structures	940 615	938 414	2 201	0%
Machinery and equipment	72 200	63 299	8 901	12%
Intangible assets	6 500	264	6 236	96%
Payments for financial assets	59 891	59 880	11	0%

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

VOTE 9

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2015

Compensation of employees

The under-spending is mainly as a result of the budget for compensation of employees that was not depleted by the end of the financial year.

Public corporations and private enterprises

There were invoices relating to March 2015 that were still being processed when the last payment run was made and remained unpaid at the end of the financial year. The Department also levied penalties for a range of items as contracted with the service providers that further increased the under-spending.

Machinery and equipment

The under-spending is mainly as a result of capital assets in the form of computers, laptops, printers, furniture for new staff etc. that were not purchased. This was impacted by the challenges faced with the filling of posts throughout the Department.

Software and other intangible assets

This amount was actually spent, but as a result of the classification of the payment, it was paid within goods and services. The budget could unfortunately not be shifted accordingly because it would have been against the Treasury Regulations (capital budget to current).

4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Public Works				
EPWP Incentive Grant	3 140	2 925	215	7%
Transport				
Provincial Roads Maintenance Grant	514 903	514 893	10	0%
Public Transport Operation Grant	1 819 854	1 786 647	33 207	2%

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

VOTE 9

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2015

Public corporations and private enterprises

There were invoices relating to March 2015 that were still being processed when the last payment run was made and remained unpaid at the end of the financial year. The Department also levied penalties for a range of items as contracted with the service providers that further increased the under-spending.

	<i>Note</i>	2014/15 R'000	2013/14 R'000
REVENUE			
Annual appropriation	<u>1</u>	6 033 416	5 671 487
Departmental revenue	<u>2</u>	3 005 863	2 707 443
TOTAL REVENUE		9 039 279	8 378 930
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>3</u>	488 559	472 100
Goods and services	<u>4</u>	850 668	849 464
Interest and rent on land	<u>5</u>	226	387
Total current expenditure		1 339 453	1 321 951
Transfers and subsidies			
Transfers and subsidies	<u>7</u>	3 470 779	3 180 679
Total transfers and subsidies		3 470 779	3 180 679
Expenditure for capital assets			
Tangible assets	<u>8</u>	1 001 708	842 197
Intangible assets	<u>8</u>	264	1 093
Total expenditure for capital assets		1 001 972	843 290
Unauthorised expenditure approved without funding	<u>9</u>	-	80 096
Payments for financial assets	<u>6</u>	59 880	20 254
TOTAL EXPENDITURE		5 872 084	5 446 270
SURPLUS/(DEFICIT) FOR THE YEAR		3 167 195	2 932 660
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		161 332	225 217
Annual appropriation		127 900	214 423
Conditional grants		33 432	10 794
Departmental revenue and NRF Receipts	<u>19</u>	3 005 863	2 707 443
SURPLUS/(DEFICIT) FOR THE YEAR		3 167 195	2 932 660

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
STATEMENT OF FINANCIAL POSITION
as at 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000
ASSETS			
Current assets		418 294	519 449
Unauthorised expenditure	9	195 457	195 457
Cash and cash equivalents	10	221 526	243 058
Receivables	11	1 311	80 934
Non-current assets		19 292	-
Receivables	11	19 292	-
TOTAL ASSETS		437 586	519 449
LIABILITIES			
Current liabilities		437 586	519 449
Voted funds to be surrendered to the Revenue Fund	12	172 857	236 741
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	262 701	221 451
Payables	14	2 028	61 257
TOTAL LIABILITIES		437 586	519 449
NET ASSETS		-	-

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
CASH FLOW STATEMENT
for the year ended 31 March 2015

	<i>Note</i>	2014/15 R'000	2013/14 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		9 039 279	8 372 947
Annual appropriated funds received	<u>1.1</u>	6 033 416	5 671 487
Departmental revenue received	<u>2</u>	3 005 835	2 701 422
Interest received	<u>2.3</u>	28	38
Net (increase)/decrease in working capital		1 102	151 028
Surrendered to Revenue Fund		(3 189 829)	(2 810 860)
Surrendered to RDP Fund/Donor		-	-
Current payments		(1 339 227)	(1 321 564)
Interest paid	<u>5</u>	(226)	(387)
Payments for financial assets		(59 880)	(20 254)
Transfers and subsidies paid		(3 470 779)	(3 180 679)
Net cash flow available from operating activities	15	980 440	1 190 231
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>8</u>	(1 001 972)	(923 386)
Proceeds from sale of capital assets	<u>2.4</u>	-	5983
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
Net cash flows from investing activities		(1 001 972)	(917 403)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		-	-
Increase/(decrease) in net assets		-	-
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(21 532)	272 828
Cash and cash equivalents at beginning of period		243 058	(29 770)
Cash and cash equivalents at end of period	16	221 526	243 058

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

VOTE 9

ACCOUNTING POLICIES

for the year ended 31 March 2015

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. The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation. Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the exchange rates prevailing at the date of payment / receipt.
6	Comparative information
6.1	Prior period comparative information Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

VOTE 9

ACCOUNTING POLICIES

for the year ended 31 March 2015

	Appropriated funds Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).
7.1	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. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: <ul style="list-style-type: none"> it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.
8	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.3	Accrued expenditure payable Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department. Accrued expenditure payable is measured at cost.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: <ul style="list-style-type: none"> cost, being the fair value of the asset; or the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
ACCOUNTING POLICIES
for the year ended 31 March 2015

9	Aid Assistance
9.1	<p>Aid assistance received</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>
9.2	<p>Aid assistance paid</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>
10	<p>Cash and cash equivalents</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.</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>
11	<p>Prepayments and advances</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> <p><i><Indicate when prepayments are expensed and under what circumstances.></i></p>
12	<p>Loans and receivables</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.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	<p>Impairment of financial assets</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>
15	<p>Payables</p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>
16	Capital Assets
16.1	<p>Immovable capital assets</p> <p>Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable 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 immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.</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>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.</p>

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
ACCOUNTING POLICIES
for the year ended 31 March 2015

16.2	<p>Movable capital assets</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 accurately, 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. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
16.3	<p>Intangible assets</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 accurately, 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 that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
17	Provisions and Contingents
17.1	<p>Provisions</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>
17.2	<p>Contingent liabilities</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>
17.3	<p>Contingent assets</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>
17.4	<p>Commitments</p> <p>Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash</p>
18	<p>Unauthorised expenditure</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"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
ACCOUNTING POLICIES
for the year ended 31 March 2015

19	<p>Fruitless and wasteful expenditure</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 for recovery.</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>
20	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. 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 removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</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>
21	<p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are effected by management have been applied retrospectively 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 change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</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>
22	<p>Events after the reporting date</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>
23	<p>Agent-Principal arrangements</p> <p>Agent-Principal arrangements are governed by the signed service level agreement and /or contracts.</p>
24	<p>Departures from the MCS requirements</p> <p>The department has complied with the provision of Modified Cash Standards.</p>
25	<p>Capitalisation reserve</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>
26	<p>Recoverable revenue</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>
27	<p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions are recorded in the notes to the financial statements when the transaction is not at arm's length.</p>
28	<p>Inventories</p> <p>At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements.</p>

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

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:

		2014/15		2013/14
	Final	Actual Funds	Funds not	Appropriation
	Appropriation	Received	requested/ not received	received
	R'000	R'000	R'000	R'000
Administration	293 352	293 352	-	226 453
Transport Infrastructure	2 144 556	2 144 556	-	1 866 373
Transport Operations	2 040 925	2 040 925	-	1 912 232
Transport Regulation	242 835	242 835	-	241 486
Gautrain Rapid Rail Link	1 311 748	1 311 748	-	1 424 943
Total	6 033 416	6 033 416	-	5 671 487

1.2. Conditional grants

	Note	2014/15	2013/14
		R'000	R'000
Total grants received	33	2 337 897	2 372 592
Provincial grants included in Total Grants received		-	-

2. Departmental revenue

Tax revenue		2 949 662	2 644 875
Sales of goods and services other than capital assets	2.1	53 937	55 661
Interest, dividends and rent on land	2.2	28	38
Sales of capital assets	2.3	-	5 983
Transactions in financial assets and liabilities	2.4	2 236	886
Total revenue collected		3 005 863	2 707 443
Less: Own revenue included in appropriation		-	-
Departmental revenue collected		3 005 863	2 707 443

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

2.1. Sales of goods and services other than capital assets

Sales of scrap, waste and other used current goods	53 937	55 661
Total	53 937	55 661

2.2. Interest, dividends and rent on land

Interest	28	38
Total	28	38

2.3. Sale of capital assets

	Note	2014/15 R'000	2013/14 R'000
Tangible assets		-	5 983
Machinery and equipment	29	-	5 983
Total		-	5 983

2.4. Transactions in financial assets and liabilities

Receivables	2 220	886
Stale cheques written back	16	-
Total	2 236	886

3. Compensation of employees

3.1. Salaries and Wages

Basic salary	3	327 798	306 626
Performance award		7 574	6 162
Service Based		584	1 892
Compensative/circumstantial		10 183	9 712
Periodic payments		14 582	23 021
Other non-pensionable allowances		62 305	63 345
Total		423 026	410 758

3.2. Social contributions

Employer contributions			
Pension		42 217	38 497
Medical		23 183	22 744
Bargaining council		133	101
Total		65 533	61 342
Total compensation of employees		488 559	472 100
Average number of employees		1 850	1 850

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

4. Goods and services

	Note	2014/15 R'000	2013/14 R'000
Administrative fees		832	632
Advertising		8 352	13 713
Minor assets	4.1	1 842	214
Bursaries (employees)		562	130
Catering		893	495
Communication		14 020	15 869
Computer services	4.2	6 877	12 599
Consultants: Business and advisory services		19 092	43 363
Infrastructure and planning services		9 685	5 616
Laboratory services		66	175
Legal services		17 300	9 663
Contractors		669 260	535 266
Agency and support / outsourced services		231	447
Audit cost – external	4.3	5 431	5 834
Fleet services		10 840	47 294
Inventory	4.4	2 716	68 496
Consumables	4.5	19 567	17 813
Operating leases		8 568	8 444
Property payments	4.6	35 659	45 288
Rental and hiring		5	-
Transport provided as part of the departmental activities		705	95
Travel and subsistence	4.7	10 611	13 539
Venues and facilities		3 022	2 265
Training and development		4 429	2 064
Other operating expenditure	4.8	103	150
Total		850 668	849 464

4.1. Minor assets

	4	2014/15 R'000	2013/14 R'000
Tangible assets		1 842	214
Machinery and equipment		1 842	214
Total		1 842	214

4.2. Computer services

External computer service providers	6 877	12 599
Total	6 877	12 599

4.3. Audit cost – External

Regularity audits	4 804	5 262
Investigations	205	-
Computer audits	422	572
Total	5 431	5 834

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

4.4. Inventory

	Note	2014/15	2013/14
		R'000	R'000
Clothing material and accessories		45	1 595
Farming supplies		76	-
Food and food supplies		-	10
Fuel, oil and gas		254	145
Learning, teaching and support material		-	-
Materials and supplies		1 915	66 746
Medical supplies		426	-
Total		2 716	68 496

4.5. Consumables

Consumable supplies		1 986	634
Household supplies		243	127
Building material and supplies		82	-
Communication accessories		-	-
IT consumables		1 405	491
Other consumables		256	16
Stationery, printing and office supplies		17 581	17 179
Total		19 567	17 813

4.6. Property payments

Municipal services		16 685	22 324
Property maintenance and repairs		-	195
Other		18 974	22 769
Total		35 659	45 288

4.7. Travel and subsistence

Local		10 604	12 520
Foreign		7	1 019
Total		10 611	13 539

4.8. Other operating expenditure

Resettlement costs		39	60
Other		64	90
Total		103	150

5. Interest and rent on land

Interest paid		226	387
Total		226	387

6. Payments for financial assets

	Note	2014/15	2013/14
		R'000	R'000
Debts written off	6.1	59 880	20 254
Total		59 880	20 254

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

6.1. Debts written off

Employees	-	2
Ex-employee	312	345
Other	59 560	-
Suppliers	-	19 907
Breach of Contract Ex-Employee	8	-
Total debt written off	59 880	20 254

7. Transfers and subsidies

Provinces and municipalities	Annex 1A	1 256	783
Departmental agencies and accounts	Annex 1B	1 311 748	1 424 943
Public corporations and private enterprises	Annex 1C	1 900 024	1 750 974
Households	Annex 1D	257 751	3 979
Total		3 470 779	3 180 679

8. Expenditure for capital assets

Tangible assets		1 001 708	842 197
Buildings and other fixed structures	31	938 426	832 298
Machinery and equipment	29	63 282	9 899
Intangible assets		264	1 093
Software	30	264	1 093
		-	-
Total		1 001 972	843 290

8.1. Analysis of funds utilised to acquire capital assets – 2014/15

Tangible assets	1 001 708	-	1 001 708
Buildings and other fixed structures	938 426	-	938 426
Machinery and equipment	63 282	-	63 282
Intangible assets	264	-	264
Software	264	-	264
	-	-	-
Total	1 001 972	-	1 001 972

8.2. Analysis of funds utilised to acquire capital assets – 2013/14

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	842 197	-	842 197
Buildings and other fixed structures	832 298	-	832 298
Machinery and equipment	9 899	-	9 899
Intangible assets	1 093	-	1 093
Software	1 093	-	1 093
	-	-	-
Total	843 290	-	843 290

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

8.3. Finance lease expenditure included in Expenditure for capital assets

	Note	2014/15 R'000	2013/14 R'000
Tangible assets		-	-
Machinery and equipment		6 459	4 599
Total		6 459	4 599

9. Unauthorised expenditure

9.1. Reconciliation of unauthorised expenditure

Opening balance		195 457	281 453
Prior period error		-	-
As restated		195 457	281 453
Unauthorised expenditure – discovered in current year (as restated)		-	-
Less: Amounts approved by Parliament/Legislature with funding		-	(5 900)
Less: Amounts approved by Parliament/Legislature without funding		-	(80 096)
Current		-	-
Capital		-	(80 096)
Transfers and subsidies		-	-
Less: Amounts transferred to receivables for recovery		-	-
Unauthorised expenditure awaiting authorisation / written off		195 457	195 457

9.2. Analysis of unauthorised expenditure awaiting authorisation per economic classification

Current	11 526	11 526
Capital	183 931	183 931
Total	195 457	195 457

9.3. Analysis of unauthorised expenditure awaiting authorisation per type

Unauthorised expenditure relating to overspending of the vote or a main division within a vote	195 457	195 457
Total	195 457	195 457

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

10. Cash and cash equivalents

	Note	2014/15 R'000	2013/14 R'000
Consolidated Paymaster General Account		221 444	242 983
Cash on hand		82	75
Total		221 526	243 058

An amount of R 488,680.77 is disclosed on this note as cash on hand as at 31 March 2015. This amount relates to monies collected by Driving License Testing Centres (DLTCs) but not banked before year end.

11. Receivables

		2014/15				2013/14
		R'000	R'000	R'000	R'000	R'000
		Less than one	One to	Older than	Total	Total
		year	three years	three years		
Note						
11.1						
Claims recoverable	Annex 4	402	-	16 476	16 878	77 312
Recoverable expenditure	11.3	30	-	-	30	28
Staff debt	11.4	879	-	-	879	778
Other debtors	11.5	-	2 030	786	2 816	2 816
Total		1 311	2 030	17 262	20 603	80 934

11.1. Claims recoverable

National departments	-	46
Provincial departments	16 507	77 266
Public entities	371	-
Total	16 878	77 312

11.2. Recoverable expenditure (disallowance accounts)

Sal:reversal control	29	16
Sal:Tax Debt	1	12
Total	30	28

11.3. Staff debt

Employee	505	103
Ex-Employee	473	596
Breach of contract Ex-Employee	114	33
Debt Receivable Income and Interest	(384)	(368)
Supplier	171	414
Total	879	778

11.4. Other debtors

Other Debtors	2 816	2 816
Total	2 816	2 816

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

12. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Opening balance		236 741	184 288
Prior period error		-	-
As restated		236 741	184 288
Transfer from statement of financial performance (as restated)		161 332	225 217
Voted funds not requested/not received	1.1	-	-
Paid during the year		(225 216)	(172 764)
Closing balance		172 857	236 741

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

Opening balance		221 451	152 104
Prior period error		-	-
As restated		221 451	152 104
Transfer from Statement of Financial Performance (as restated)		3 005 863	2 707 443
Own revenue included in appropriation		-	-
Paid during the year		(2 964 613)	(2 638 096)
Closing balance		262 701	221 451

14. Payables – current

Amounts owing to other entities		581	59 560
Advances received	14.1	1 000	1 000
Other payables	14.2	447	697
Total		2 028	61 257

14.1. Advances received

National departments	14	1 000	1 000
Total		1 000	1 000

14.2. Other payables

Cheques Payables:Dom	14	-	19
Sal: ACB Recalls		32	57
Sal: Pension Fund:CL		21	-
Sal: Income Tax:CL		394	-
Other payables		-	621
Total		447	697

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

15. Net cash flow available from operating activities

	Note	2014/15 R'000	2013/14 R'000
Net surplus/(deficit) as per Statement of Financial Performance		3 167 195	2 932 660
Add back non cash/cash movements not deemed operating activities		(2 186 755)	(1 742 429)
(Increase)/decrease in receivables – current		60 331	65 506
(Increase)/decrease in prepayments and advances		-	-
(Increase)/decrease in other current assets		-	85 996
Increase/(decrease) in payables – current		(59229)	(474)
Proceeds from sale of capital assets		-	(5983)
Proceeds from sale of investments		-	-
Expenditure on capital assets		1 001 972	843 290
Surrenders to Revenue Fund		(3 189 829)	(2 810 860)
Voted funds not requested/not received		-	-
Other non-cash items		-	80 096
Net cash flow generated by operating activities		980 440	1 190 231

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

Consolidated Paymaster General account	221 444	242 983
Cash on hand	82	75
Total	221 526	243 058

17. Contingent liabilities and contingent assets

17.1. Contingent liabilities

Liable to	Nature		
Housing loan guarantees	Employees	Annex 2A	-
Claims against the department		Annex 2B	1 285 865
Intergovernmental payables (unconfirmed balances)		Annex 4	525
Other		Annex 2B	5 542
Total			1 291 932

Patronage Guarantee is paid on a monthly basis to the Concessionaire if for any month after OCD 2 the actual passenger kilometres are less than the minimum required passenger kilometres. The amount paid is the difference between Minimum Required Total Revenue and the Actual Total Revenue as defined in the Concession Agreement. It is foreseen that the Patronage Guarantee will be paid for the next 12 months. GMA is unable to provide a reliable estimate of the Patronage Guarantee for the next year; however the Patronage Guarantee payment for 2014-15 financial year is R1 311 748.00, included in Note 28. For additional information and disclosure on the Patronage guarantee please refer to Gauteng Management Agency Annual Report on Contingent Liabilities and Commitments.

17.2. Contingent assets

Nature of contingent asset		
Construction of Road K46 (William Nicol Drive)	113 054	113 054
Other**	420	502
Total	113 474	113 556

***Included in "Other" is an estimated amount that will be recovered as a result of financial misconduct by some officials within the Department.*

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

18. Commitments

	Note	2014/15 R'000	2013/14 R'000
Current expenditure			
Approved and contracted		5 131	69 574
Approved but not yet contracted		-	-
		<u>5 131</u>	<u>69 574</u>
Capital expenditure			
Approved and contracted		2 133 405	2 218 067
Approved but not yet contracted		-	-
		<u>2 133 405</u>	<u>2 218 067</u>
Total Commitments		<u>2 138 536</u>	<u>2 287 641</u>

Analysis of commitments

Commitment less than 1 year R 1 763 080

Commitment more than 1 year R 375 456

19. Accruals and payables not recognised

Listed by economic classification

	30 Days	30+ Days	Total	Total
Goods and services	9 598	11	9 609	13 539
Transfers and subsidies	20 066	-	20 066	218
Capital assets	102 446	-	102 446	80 530
Other	582	-	582	7 522
Total	132 692	11	132 703	101 809
Listed by programme level				
Administration			6 558	4 516
Transport Infrastructure			102 527	82 384
Transport Operations			19 720	3 255
Transport Regulations			3 898	11 654
Total			132 703	101 809
Confirmed balances with other departments		Annex 4	2 471	68 819
Confirmed balances with other government entities		Annex 4	25 216	30 351
Total			27 687	99 170

20. Employee benefits

Leave entitlement	26 465	45 478
Service bonus (Thirteenth cheque)	14 425	13 090
Performance awards	8 254	6 498
Capped leave commitments	22 652	25 901
Other**	621	584
Total	72 417	91 551

Amounts disclosed in other is an actual amount of R 584 000 being actual amount paid to employees in 2014/15 for long service awards and R 621 000 is an estimated liability for 2015/16 based on the past trend as per requirement of Modified Cash Standard.

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

21. Lease commitments

21.1. Operating leases expenditure

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2014/15					
Not later than 1 year	-	-	8 627	631	9 258
Later than 1 year and not later than 5 years	-	-	28 492	-	28 492
Later than five years	-	-	-	-	-
Total lease commitments	-	-	37 119	631	37 750

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2013/14					
Not later than 1 year	-	-	8 638	1 323	9 961
Later than 1 year and not later than 5 years	-	-	37 119	605	37 724
Later than five years	-	-	-	-	-
Total lease commitments	-	-	45 757	1 928	47 685

Included in the total lease agreement is a material lease agreement entered with the lessor to provide facilities at the Driving Licence Testing Centre (Xavier Junction Premises) which expired in 2019. The future minimum lease payments expected to be made for the next twelve month and not later than five years is R8 million and R28.4 million respectively, these figures include annual escalation of 10%.

21.2. Finance leases expenditure

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2014/15					
Not later than 1 year	-	-	-	5 066	5 066
Later than 1 year and not later than 5 years	-	-	-	2 350	2 350
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	7 416	7 416

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2013/14					
Not later than 1 year	-	-	-	5 094	5 094
Later than 1 year and not later than 5 years	-	-	-	3 038	3 038
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	8 132	8 132

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

22. Accrued departmental revenue

	Note	2014/15 R'000	2013/14 R'000
Tax revenue		276 471	249 161
Total		276 471	249 161

22.1. Analysis of accrued departmental revenue

Opening balance	249 161	207 488
Less: amounts received	(2 949 662)	(2 644 875)
Add: amounts recognised	2 989 995	2 686 548
Less: amounts written-off/reversed as irrecoverable	(13 023)	-
Closing balance	276 471	249 161

22.2. Accrued departmental revenue written off

Nature of losses

Writing off of interest in relation to outstanding road traffic act fees	13 023	-
Closing balance	13 023	-

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

23. Irregular expenditure

23.1. Reconciliation of irregular expenditure

	2014/15 R'000	2013/14 R'000
Opening balance	1 990 499	2 357 117
Prior period error	-	-
As restated	1 990 499	2 357 117
Add: Irregular expenditure – relating to prior year	-	-
Add: Irregular expenditure – relating to current year	1 942 658	1 990 499
Less: Prior year amounts condoned	(1 879 917)	(2 357 117)
Less: Current year amounts condoned	(1 263 567)	-
Less: Amounts not condoned and recoverable	-	-
Less: Amounts not condoned and not recoverable	-	-
Closing balance	789 673	1 990 499
Analysis of awaiting condonation per age classification		
Current year	679 091	1 990 499
Prior years	110 582	-
Total	789 673	1 990 499

23.2. Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2014/15 R'000
Extension of Bus subsidy contracts, devolved from the National Department of Transport (NDoT), including bus monitoring firms.	None	1 907 501
Extension of routine roads maintenance contracts, including the supervising consultants (RMPTs).	None	18 480
Extension of security and cleaning service contracts due to an on-going ligation process.	None	15 521
Other goods and services acquired by the Department without following proper procurement procedures.	None	1 156
Total		1 942 658

23.3. Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2014/15 R'000
Bus subsidy contracts, devolved from the National Department of Transport (NDoT), including bus monitoring firms.	Accounting Officer	3 015 245
Routine roads maintenance contracts, including the supervising consultants (RMPTs).	Accounting Officer	82 171
Security and cleaning service contracts due to an ongoing ligation process.	Accounting Officer	35 304
IT contracts	Accounting Officer	10 764
Other goods and services acquired by the Department without following proper procurement procedures.	Accounting Officer	-
Total		3 143 484

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

24. Fruitless and wasteful expenditure

24.1. Reconciliation of fruitless and wasteful expenditure

	Note	2014/15 R'000	2013/14 R'000
Opening balance		153 344	152 957
Prior period error		-	-
As restated		153 344	152 957
Fruitless and wasteful expenditure – relating to current year		250 663	387
Fruitless and wasteful expenditure awaiting resolution		404 007	153 344

24.2. Analysis of awaiting resolution per economic classification

Current	1 716	1 490
Capital	151 854	151 854
Transfers and subsidies	250 473	-
Total	404 007	153 344

24.3. Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2014/15 R'000
Municipalities-Interest paid on late payments	None	10
Eskom-Interest paid on late payments	None	3
Various suppliers-Interest paid on late payments	None	213
Court order payments	None	250 437
Total		250 663

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

25. Related party transactions

Revenue received	Note	2014/15 R'000	2013/14 R'000
Sales of goods and services other than capital assets			
Total			
Payments made			
Goods and services			
Total			
Year end balances arising from revenue/payments			
Receivables from related parties			
Payables to related parties			
Total			
In kind goods and services provided/received			
List in kind goods and services between the department and the related party			
Total			

The Gauteng Department of Roads and Transport is related to all Gauteng Provincial Government Departments and Entities by virtue of being under the same control by Gauteng Premier and Gauteng Legislature. The department has two (2) entities under the control of the MEC; g-Fleet Management and Gautrain Management Agency (GMA), below are transactions made to both entities during the year (2014/15):

g-Fleet Management

R 13,772,158.99 payments made for fleet services, these transactions were at arm's length.

Gautrain Management Agency (GMA)

R1, 311,748,000 (Total value of transfer payments made during the year). The GMA provided project management capacity to assist the Department with its capital expenditure programme to the value of R 1.333 million rand. These transactions were at arm's length. As at 31 March 2015 a total amount of R 1.333 million rand was outstanding from the Gauteng Department of Roads and Transport.

Key Management Personnel are deemed to be related parties, for 2014/15 financial year a total amount of R19.771 million was paid as compensation to key management personnel. Please refer to note 26 for a detailed breakdown of payments made in 2014/15 financial year.

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

26. Key management personnel

	No. of Individuals	2014/15 R'000	2013/14 R'000
Political office bearers (provide detail below)	1	1 822	1 735
Officials:			
Level 15 to 16	5	6 829	7 285
Level 14 (incl. CFO if at a lower level)	9	11 120	10 902
Total		19 771	19 922

27. Public Private Partnership

A concession agreement with Bombela Consortium for the design, construction and operation of a rapid rail link between Pretoria and Johannesburg, and Johannesburg and O.R. Tambo International Airport, consisting of R 80km of rail and 10 stations. The information as indicated below has been received from the GMA.

Contract fee received	1 311 748	1 424 943
MTEF	1 311 748	1 424 943
Contract fee paid		
Fixed component	-	-
Indexed component	-	-
Analysis of indexed component		
Compensation of employees	-	-
Goods and services (excluding lease payments)	-	-
Operating leases	-	-
Interest	-	-
Capital / (Liabilities)		
Tangible rights	-	-
Intangible rights	-	-
Property	-	-
Other		
Prepayments and advances	-	-
Pre-production obligations	-	-
Other obligations	-	-

During 2014/15 financial year the Department transferred R1.3 billion to Gautrain Management Agency (GMA) to ensure business continuity and service delivery. For additional information pertaining to Gautrain asset please refer to GMA annual report.

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

28. Provisions

	Note	2014/15 R'000	2013/14 R'000
Ex-Employee debt		121	-
Supplier debt		171	-
Total		292	-

28.1. Reconciliation of movement in provisions – 2014/15

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	-	-	-	-
Provisions raised	292	-	-	292
Closing balance	292	-	-	292

Reconciliation of movement in provisions – 2013/14

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	-	-	-	-
Provisions raised	-	-	-	-
Closing balance	-	-	-	-

29. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	156 000	58 019	(200)	213 819
Transport assets	78 260	49 705	(91)	127 874
Computer equipment	41 377	5 185	(109)	46 453
Furniture and office equipment	12 079	910	-	12 989
Other machinery and equipment	24 284	2 219	-	26 503
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	156 000	58 019	(200)	213 819

Included in the asset register is a total amount of R 79 266 711.95, relating to assets that could not be verified at year-end. These assets are incorporated in the loss control register; a thorough investigation has commenced to ascertain if they are lost, stolen, moved or destroyed. Appropriate actions will be taken once the internal investigation has been finalized and necessary adjustments will be done during 2015/16 financial year. Please refer to the below table

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	1 929	79 267

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

29.1. Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	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
MACHINERY AND EQUIPMENT	63 283	1 887	(6 459)	(692)	58 019
Transport assets	51 744	1 427	(2 553)	(913)	49 705
Computer equipment	5 138	14	-	33	5 185
Furniture and office equipment	789	121	-	-	910
Other machinery and equipment	5 612	325	(3 906)	188	2 219
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	63 283	1 887	(6 459)	(692)	58 019

29.2. Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT		200	200	-
Transport assets	-	91	91	-
Computer equipment	-	109	109	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	200	200	-

29.3. Movement for 2013/14

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	164 446	150	4 056	12 652	156 000
Transport assets	89 711	329	-	11 780	78 260
Computer equipment	41 233	(246)	1 057	667	41 377
Furniture and office equipment	11 362	84	757	124	12 079
Other machinery and equipment	22 140	(17)	2 242	81	24 284
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	164 446	150	4 056	12 652	156 000

29.3.1. Prior period error

	Note 29.3	2014/15 R'000
Nature of prior period error		
Relating to 2013/14		150
Machinery and Equipment		150
Total		150

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

29.4. Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2015

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	102	-	27 576	-	27 678
Additions				2 935		2 935
Disposals	-	-	-	-	-	-
TOTAL MINOR ASSETS	-	102	-	30 511	-	30 613

Included in the asset register is a total amount of R 9 188 966.79 relating to assets that could not be verified at year-end. These assets are incorporated in the loss control register; a thorough investigation has commenced to ascertain if they are lost, stolen, moved or destroyed. Appropriate actions will be taken once the internal investigation has been finalized and necessary adjustments will be done during 2015/16 financial year. Please refer to the below table

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	5 894	9 189
Biological assets	-	-

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	4	-	9	-	13
Number of minor assets at cost	-	-	-	29 316	-	29 316
TOTAL NUMBER OF MINOR ASSETS	-	4	-	29 325	-	29 329

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2014

	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	-	107	-	28 513	-	28 620
Prior period error	-	(2)	-	(46)	-	(48)
Additions	-	-	-	300	-	300
Disposal	-	(3)	-	(1 191)	-	(1 194)
TOTAL NUMBER OF MINOR ASSETS	-	102	-	27 576	-	27 628
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	4	-	9	-	13
Number of minor assets at cost	-	-	-	22 728	-	22 728
TOTAL NUMBER OF MINOR ASSETS	-	4		22 737	-	22 741

29.5. Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2015

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	-	-	-
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	-	-	-

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2014

	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	-	-	-	3 385	-	3 385
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	3 385	-	3 385

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

30. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	24 970	264	-	25 234
TOTAL INTANGIBLE CAPITAL ASSETS	24 970	264	-	25 234

30.1. Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Cash R'000	Non-Cash R'000	(Develop-ment work in progress – current costs) R'000	Received current year, not paid (Paid current year, received prior year) R'000	Total R'000
SOFTWARE	264	-	-	-	264
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	264	-	-	-	264

30.2. Movement for 2013/14

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	23 885	-	1 093	8	24 970
TOTAL INTANGIBLE CAPITAL ASSETS	23 885	-	1 093	8	24 970

31. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	25 586 264	71 119		25 657 383
Other fixed structures	25 586 264	71 119	-	25 657 383
LAND AND SUBSOIL ASSETS	123 795	10 030		133 825
Land	123 795	10 030	-	133 825
Capital Work-in-progress				
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	25 710 059	81 149	-	25 791 208

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

31.1. Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	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
BUILDING AND OTHER FIXED STRUCTURES	928 396	71 119	(928 396)	-	71 119
Other fixed structures	928 396	71 119	(928 396)	-	71 119
LAND AND SUBSOIL ASSETS	10 030	-	-	-	10 030
Land	10 030	-	-	-	10 030
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	938 426	71 119	(928 396)	-	81 149

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

VOTE 9

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

31.2. Movement for 2013/14

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED					
STRUCTURES	27 240 814	(1 959 232)	304 682	-	25 586 264
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures**	27 240 814	(1 959 232)	304 682	-	25 586 264
HERITAGE ASSETS					
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	118 059	-	5 916	(180)	123 795
Land	118 059	-	5 916	(180)	123 795
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	27 358 873	(1 959 232)	310 598	(180)	25 710 059

**Included in the balance of R 27 240 814 000 for Other fixed structures is the total value of R 75 208 581.89 reported by the department related to the upgrading of various key roads in the 20 identified townships (20T projects) to revitalize roads in Gauteng in preparation to the 2010 world cup. The decision resulted from insufficient financial resources and expertise from applicable municipalities within Gauteng Province then erstwhile Gauteng Department of Public Transport, Roads and Works was requested to execute this project as part of its normal infrastructure projects.

The upgrading on these roads was over a period of four (4) years and the relevant expenditure was recognised as expenditure for capital assets, upon completion the costs associated with the upgrading was capitalised and included in the asset register in line with the Modified Cash Standard (MCS). Furthermore the MCS requires expenditure to remain in the asset register until such time the department dispose of or exercise a section 42 transfer of these roads to the relevant municipalities. As at 31 March 2015, these roads were not transferred hence were reported by the department to ensure fair presentation.

31.2.1. Prior period error

	2013/14 R'000
Nature of prior period error	
Relating to 2014/15	(179 501)
Adjustments relating to roads and bridges	(179 501)
Relating to 2013/14	(1 779 731)
Adjustments relating to roads and bridges	(1 779 731)
Total	(1 959 232)

The prior year adjustment mainly relates to assets that were incorrectly included in the Department's assets register, these assets were proclaimed and transferred to The South African National Roads Agency Ltd during the planning phase of the Gauteng Freeway Improvement Project, in some instances the roads and bridges were revalued to their fair values.

GAUTENG DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

32. Agent-principal arrangements

32.1. Department acting as the principal

	2014/15 R'000	2013/14 R'000
Ekurhuleni Municipality	286 848	265 948
Mogale City	24 964	24 389
Sedibeng Municipality	63 831	58 085
Randfontein Municipality	14 242	13 266
Westonaira Municipality	6 631	5 388
City of Johannesburg	226 923	220 443
Tshwane Municipality	137 999	139 607
South African Post Services	120 190	101 693
Merafong Municipality	12 654	12 893
Total	894 282	841 712

The above municipalities are collecting revenue on behalf of the Department in terms of the Road Traffic Act. For the service they render on behalf of the Department they are entitled to a 20% and 100% agency fee (commission) as per signed service level agreement.

The Department of Infrastructure Development (DID) is facilitating the projects of rehabilitation, maintenance and construction of DLTCs on behalf of the Department. No agency fees were paid to DID in the current financial year.

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

33. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					Amount received by department R'000	SPENT			2013/14	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available		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
Public Transport Operation Grant	1 819 854	-	-	-	1 819 854	1 819 854	1 786 647	33 207	98%	1 714 344	1 703 633
Provincial Roads Maintenance Grants	514 903	-	-	-	514 903	514 903	514 893	10	100%	655 248	655 166
Expanded Public Works Programme	3 140	-	-	-	3 140	3 140	2 925	215	93%	3 000	2 999
TOTAL	2 337 897	-	-	-	2 337 897	2 337 897	2 304 465	33 432		2 372 592	2 361 798

34. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000		R'000	R'000	%
PD: Fines and Penalties	-	-	-	-	-	-	-
Mun B/Acc: Vehicle Licenses Mun	1 300	-	-	1 300	1 252	-	-
PD: Vehicles Licence	5	-	-	5	4	-	-
PD: Fines and Penalties	-	-	-	-	-	-	-
TOTAL	1 305	-	-	1 305	1 256	-	-

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 1A (UNAUDITED SUPPLEMENTARY SCHEDULE)

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2013/14
	Division of Revenue Act	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	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%	R'000
PD:Fines and Penalties	-	-	-	-	-	-	-	-	-	-	400
Mun B/Acc:Vehicle Licenses	1 300	-	-	1 300	1 252	-	-	-	-	-	1 000
PD:Vehicles Licence	5	-	-	5	4	-	-	-	-	-	-
	1 305	-	-	1 305	1 256	-	-	-	-	-	1 400

ANNEXURE 1B (UNAUDITED SUPPLEMENTARY SCHEDULE)

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2013/14
	Adjusted Appropriation	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
PROV DA:GAUTRAIN MAN AGENCY	1 311 748	-	-	1 311 748	1 311 748	100%	1 424 943
	1 311 748	-	-	1 311 748	1 311 748		1 424 943

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 1C (UNAUDITED SUPPLEMENTARY SCHEDULE)

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2013/14
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Appro-riation
	Act R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	Act R'000
Subsidies									
Public Transport Operations Grant	1 819 854	-	-	1 819 854	1 786 647	98.2%	-	1 786 647	1 714 344
North West Star Demarcation	108 000	-	-	108 000	113 377	105.0%	-	113 377	50 000
Total	1 927 854	-	-	1 927 854	1 900 024	98.6%	-	1 900 024	1 764 344

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 1D (UNAUDITED SUPPLEMENTARY SCHEDULE)

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2013/14
	Adjusted Appropriation Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Appro-priation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
Transfers							
H/H:Empl S/Ben:Injury on Duty	410	-	-	410	269	66%	2 855
H/H:Empl S/Ben:Leave Gratuity	2 339	-	-	2 339	4 608	197%	2 017
H/H:Claims Against State (Cash)	251 665	-	-	251 665	252 874	100%	500
Total	254 414	-	-	254 414	257 751		5 372

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 1E (UNAUDITED SUPPLEMENTARY SCHEDULE)

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2014/15	2013/14
		R'000	R'000
Received in cash			
High Five Security Services	Funding of a farewell	-	1
Subtotal		-	1
Received in kind			
WP Cebekhulu	Sponsorship for Speaker at Internal Women's Day Luncheon	-	6
Bondev Midrand (Pty) Ltd	Construction of a single carriageway between K54 and K220	-	24 701
Zamanguni Company	Sponsorship for Mugs & Cooler Bags	1	-
Smec	Soccer Ticket	6	-
Dainfen Golf and country Estate	Sponsorship for Food and Beverage (William Nicole-Outreach)	8	-
Power Construction	2014 Mandela Day Cleaning and Social Responsibility Campaign (40 rakes, 40 brooms and 600 refuse bags).	7	-
PNT Transport	Food packs for Mandela Day	2	-
KPMM Roads and Earth	Soil Turning N12(Refreshments)	6	-
Kaya FM and Oubaai Resort	Luxury Weekend Getaway	28	-
Volkswagen S.A	V.W Women's day Luncheon	1	-
Vaal Wits Taxi Association	3x Wallets with R100.00 each	-	-
Subtotal		59	24 707
TOTAL		59	24 708

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 1F (UNAUDITED SUPPLEMENTARY SCHEDULE)

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2014/15	2013/14
	R'000	R'000
Paid in cash		
Carlamani Conferences and Events - Sponsor the African association of Public Transport (UATP)	-	500
Made in kind		
Thakayo Construction and Project - Computer Equipment (1 Desktop and 1 Printer)	-	11
Refentse Health Care Giving Programme (REHECAPRO)- Computer Equipment(5 desktop and 1 printer)	-	27
TOTAL	-	38

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 2A (UNAUDITED SUPPLEMENTARY SCHEDULE)

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2014 – LOCAL

	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2014	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2015	Guaranteed interest for year ended 31 March 2015	Realised losses not recoverable i.e. claims paid out
Guarantor institution		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
STANDARD BANK OF S.A. LIMITED		1 251	10	-	10	-	-	-	-
NEDBANK LIMITED		507	-	-	-	-	-	-	-
FIRSTRAND BANK LIMITED: FIRST NATIONAL BANK		2 936	-	-	-	-	-	-	-
ABSA		1 368	-	-	-	-	-	-	-
COMPANY UNIQUE FINANCE (PTY) LTD		156	-	-	-	-	-	-	-
OLD MUTUAL FINANCE LIMITED		188	-	-	-	-	-	-	-
PEOPLES BANK LIMITED (FORMER FBC FID)		348	-	-	-	-	-	-	-
NEDBANK LIMITED (NBS)		512	-	-	-	-	-	-	-
FIRST RAND BANK LTD (FNB - FORMER SAAMBOU)		464	-	-	-	-	-	-	-
OLD MUTUAL (NEDB/PERM)		1 053	-	-	-	-	-	-	-
INVESTEC BANK LIMITED		0	-	-	-	-	-	-	-
BOE BANK LIMITED		158	-	-	-	-	-	-	-
TOTAL		8 941	10	-	10	-	-	-	-

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 2B (UNAUDITED SUPPLEMENTARY SCHEDULE)

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2015

Nature of Liability	Opening Balance 1 April 2015 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2015 R'000
Claims against the department					
Claims against the department from various entities	1 409 720	302 186	426 041	-	1 285 865
Subtotal	1 409 720	302 186	426 041	-	1 285 865
Other					
Invoices disputed by the Department	5 542	-	-	-	5 542
Subtotal	5 542	-	-	-	5 542
TOTAL	1 415 262	302 186	426 041	-	1 291 407

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 4 (UNAUDITED SUPPLEMENTARY SCHEDULE)

CLAIMES RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2014/15 *	
							Receipt date up to six (6) working days after year end	Amount
	31/03/2015 R'000	31/03/2014 R'000	31/03/2015 R'000	31/03/2014 R'000	31/03/2015 R'000	31/03/2014 R'000		R'000
Department								
Gauteng Department of Infrastructure Development	21 521	77 409	-	-	21 521	77 409	-	-
National Department of Transport	-	46	-	-	-	46	-	-
Northwest Department of Roads and Transport	31	-	-	-	31	-	-	-
	21 552	77 455	-	-	21 552	77 455	-	-
Other Government Entities								
g-Fleet Management	371	-	-	-	371	-	-	-
	371	-	-	-	371	-	-	-
TOTAL	21 923	77 455	-	-	21 923	77 455	-	-

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 5 (UNAUDITED SUPPLEMENTARY SCHEDULE)

INTER-GOVERNMENT PAYABLES								
GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2014/15	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	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
DEPARTMENTS								
Current								
Gauteng Provincial Treasury: Provincial Revenue Fund	-	59 560	-	-	-	59 560	-	-
National Department of Justice and Constitution								
Development	1 232	4 157	525	402	1 757	4 559	-	-
National Department of Labour	-	40	-	-	-	40	-	-
Gauteng Department of Finance	-	197	-	-	-	197	-	-
Government Printing Works	1 214	306	-	-	1 214	306	-	-
South African Police Service	-	8	-	-	-	8	-	-
National Department of Public Service and Administration	-	562	-	-	-	562	-	-
North West Department of Roads and Transport	-	3 989	-	-	-	3 989	-	-
Gauteng Department of Health	25	-	-	-	25	-	-	-
Total Departments	2 471	68 819	525	402	2 996	69 221		

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2014/15	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	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
OTHER GOVERNMENT ENTITY								
Current								
g-Fleet Management	1 648	3 766	-	-	1 648	3 766	-	
Gautrain Management Agency (GMA)	1 333	12 033	-	-	1 333	12 033	-	
Road Traffic Management Corporation (RTMC)	13 945	14 552	-	-	13 945	14 552	-	
Driving Licence Card Account (DLCA)	8 290	-	-	-	8 290	-	-	
Total Other Government Entities	25 216	30 351	-	-	25 216	30 351	-	
TOTAL INTERGOVERNMENTAL	27 687	99 170	525	402	28 212	99 572		

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 6 (UNAUDITED SUPPLEMENTARY SCHEDULE)

INVENTORIES

Inventory	Note	Quantity	2014/15 R'000	Quantity	2013/14 R'000
Opening balance			26 553		5 770
Add/(Less): Adjustments to prior year balance			-		-
Add: Additions/Purchases - Cash			2 716		68 496
Add: Additions - Non-cash			-		-
(Less): Disposals			-		-
(Less): Issues			(4 334)		(47 713)
Add/(Less): Adjustments			-		-
Closing balance			24 935		26 553

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 7 (UNAUDITED SUPPLEMENTARY SCHEDULE)

MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Current Year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	1 873 325	928 396	(71 119)	2 730 602
Other fixed structures	1 873 325	928 396	(71 119)	2 730 602
TOTAL	1 873 325	928 396	(71 119)	2 730 602

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance R'000	Current Year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	1 394 911	758 395	(279 981)	1873 325
Other fixed structures	1 394 911	758 395	(279 981)	1873 325
TOTAL	1 394 911	758 395	(279 981)	1873 325

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 8 (UNAUDITED SUPPLEMENTARY SCHEDULE)

INTER-ENTITY ADVANCES RECEIVED (note 21 AND note 22)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Current						
National Department of Transport	1 000	1 000	-	-	1 000	1 000
TOTAL	1 000	1 000	-	-	1 000	1 000
Current	1 000	1 000	-	-	1 000	1 000
Non-current						



g-FleeT MANAGEMENT



Contents

PART A: GENERAL INFORMATION 251

1. TRADING ENTITY GENERAL INFORMATION	252
2. LIST OF ABBREVIATIONS/ACRONYMS	253
3. OVERVIEW OF THE CHIEF EXECUTIVE OFFICER	254
4. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT	259
5. STRATEGIC OVERVIEW	260
6. LEGISLATIVE AND OTHER MANDATES	263
7. ORGANISATIONAL STRUCTURE	264

PART B: PERFORMANCE INFORMATION 267

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES	268
2. OVERVIEW OF ENTITY PERFORMANCE	269
3. STRATEGIC OUTCOME ORIENTED GOALS	272
4. PERFORMANCE INFORMATION PER PROGRAMME	275
5. CAPITAL INVESTMENT	288

PART C: GOVERNANCE 291

1. INTRODUCTION.....	292
2. RISK MANAGEMENT, FRAUD AND CORRUPTION	292
3. MINIMISING CONFLICT OF INTEREST	292
4. CODE OF CONDUCT	293
5. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES	293
6. PORTFOLIO COMMITTEES	293
7. SCOPA RESOLUTION.....	294
8. INTERNAL CONTROL UNIT	301
9. AUDIT COMMITTEE REPORT	301

PART D: HUMAN RESOURCE MANAGEMENT..... 305

1. INTRODUCTION	306
2. HUMAN RESOURCE OVERSIGHT STATISTICS	306
3. EMPLOYMENT AND VACANCIES	309
4. FILLING OF SMS POSTS	310
5. JOB EVALUATION.....	310
6. EMPLOYMENT CHANGES	311
7. EMPLOYMENT EQUITY	312
8. SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS	313
9. LEAVE UTILISATION	314
10. HIV/AIDS & HEALTH PROMOTION PROGRAMMES	314
11. LABOUR RELATIONS	315
12. SKILLS DEVELOPMENT	316

PART E: FINANCIAL INFORMATION 319

REPORT OF THE AUDITOR-GENERAL	322
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015	327
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2015	328
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2015	329
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015	330
NOTES TO THE ANNUAL FINANCIAL STATEMENTS.....	331

PART A:

GENERAL INFORMATION

1. TRADING ENTITY GENERAL INFORMATION

NAME OF TRADING ENTITY: g-Fleet Management

PHYSICAL ADDRESS: 16 Boeing Road East
Bedfordview
2008

POSTAL ADDRESS: Private Bag X1
Bedfordview
2008

TELEPHONE NUMBER/S: +27 11 372-8600

FAX NUMBER: +27 086 669 6926

WEBSITE ADDRESS: www.gfleet.gov.za

2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General of South Africa
MEC	Member of Executive Council
BBBEE	Broad Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operations Officer
PFMA	Public Finance Management Act
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
BAS	Basic Accounting System
FIS	Fleet Information System
ESS	Employee Self Service
LDSP	Learner Driver Support Programme
CRM	Client Relations Management
HoD	Head of Department
SLA	Service Level Agreement
WSP	Workplace Skills Plan
OD	Organisational Development

3. OVERVIEW OF THE CHIEF EXECUTIVE OFFICER



Mr. Chikane Chikane

Chief Executive Officer

- **FUTURE PLANS AND ACTIONS OF THE ENTITY**

- **Procurement of New Fleet Management System**

The Entity has been managing its business through its Fleet Management System that has run its course. Technology in the fleet management environment requires us to overhaul its environment and the Entity is in a process of acquiring a new fleet management system that would respond to the legal requirements such as turnaround time with respect of traffic fines.

- **Construction of Offices And Training Centre**

The project will commence with the refurbishments of office spaces and training centres which would improve the working condition of the employees with the intention of improving the staff morale.

• TOP MANAGEMENT'S PERSPECTIVE OF THE ENTITY

- g-FleeT remains a work in progress due to the negative audit outcome.
- The Entity received support from Provincial leadership through the deployment of additional resources to correct issues that led to the negative audit opinion. Work is underway to move the Entity to an acceptable audit opinion in the period under review.
- More staff appointments were realised even though it is a work in progress. This improved the organisational stability.
- The Entity has potential to increase its contribution to the goals of the Province and part of this is its contribution in respect of the TMR Programme. The establishment of Automotive Services Centres in the townships is achievable working together with GGDA. The training and retrain of mechanics and panel beaters within these townships is what is being worked on.

• ACHIEVEMENTS BY THE ENTITY

• Capacity Building

Training was provided to all employees of the entity with some officials being trained on more than one skills set. Government as a whole is continuously changing and with the introduction of new technology and legislation, employees need to be made aware of the new requirements.

• Vehicle Tracking

The entity managed to track and monitor 100% of active vehicles with functional units. The benefit of this is the improved monitoring and usage of state assets.

• Revenue Collection - Auctions

NO.	AUCTION DATE	FLEET SOLD (#)	TOTAL PROCEEDS (R)
1	29 May 2014	17	383 036.26
2	19 June 2014	123	6,258 283.69
3	11 July 2014	25	1,305 000.00
4	27 August 2014	136	6,944 250.00
5	12-13 November 2014	327	15,291 067.64
6	19 February 2015	32	1,483 130.12
7	18-19 March 2015	385	20,071 277.85
TOTAL			51,736 000.00

- **Payment of Service Providers**

CONTRACTS AWARDED TO ENTERPRISES OWNED BY: HISTORICALLY DISADVANTAGED INDIVIDUALS		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
113 Awards	57.23%	R9 272 485,14

Table 1.1.: Analysis of Awards to HDI's

CONTRACTS AWARDED TO ENTERPRISES OWNED BY: WOMEN		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
63 Awards	20.18%	R4 725 512,61

Table 1.2.: Analysis of Awards to Women

CONTRACTS AWARDED TO ENTERPRISES OWNED BY: YOUTH		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
35 Awards	16.71%	R1 887 031,23

Table 1.3.: Analysis of Awards to Youth

CONTRACTS AWARDED TO ENTERPRISES OWNED BY: PEOPLE WITH DISABILITIES		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
5 Awards	3.11	R58 963,81

Table 1.4.: Analysis of Awards to PWD's

- **CHALLENGES FACED BY THE ENTITY**

- **Organisational Structure**

The progress regarding the organisational structure has been too slow which still causes anxiety with the affected staff and also impacts on g-Fleet's ability to perform at an improved pace. The hope is that this should be completed within the 2nd Quarter.

- **Revenue Collection**

The Entity still experiences a situation where some of the users of its services fail to pay their debts on time due to a variety of reasons. This leads to the Entity being unable to deliver on its target of replacing the vehicles within the planned period. The measures out in place to create pressure for the Client Departments is seen as negatively impacting on service delivery.

- **ACKNOWLEDGEMENTS /APPRECIATION**

I wish to thank the MEC and HOD including certain executives in Treasury who have made it their business to assist g-Fleet during this challenging period. I also wish to thank g-Fleet staff, without their efforts the organisation would not be standing.

• CONCLUSION

g-Fleet is a work in progress. The type of business the entity engages in is challenging and rewarding. There is all the hope to succeed

Overview of the financial results of the entity

Revenue Collection

Revenue receipts	2014/2015			2013/2014		
	Annual Estimates	Actual Amount Collected	(Over)/Under Collection	Annual Estimates	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Leasing of Vehicles	911 828	633 101	278 727	839 270	695 572	143 698
Other Revenue	12 000	68 135	(56 135)		51 420	
Transport Fees	12 000	5 929	6 071		6 340	(6340)
Auctions		569	0			
		61 637	0		45 080	(45080)
Total	923 828	701 236	222 592	839 270	746 992	92 278

Expenditure Utilised

Programme Name (R'000)	2014/2015			2013/2014		
	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
Office of the CEO	3,916	1,959	1,958	2,647	2,905	(258)
Office of the COO	2,947	798	2,150	9,156	1,302	7,854
Office of the CFO	26,742	10,660	16,082	105,497	59,130	46,367
Corporate Services	49,985	53,529	3,544	20,962	19,756	1,206
Client Management Services	20,573	7,132	13,441	14,506	9,799	4,707
Maintenance Services	150,958	106,583	44,375	204,660	222,058	(17,398)
Transport Support Services	192,895	180,180	12,715	307,122	300,283	6,839
Permanent Fleet	381,313	467,721	(86,408)	17,829	9,395	8,434
VIP & Pool Fleet	11,805	4,893	6,912	131,044	116,775	14,269
Total	841,134	833,453	14,769	813,423	741,403	72,020

SUPPLY CHAIN MANAGEMENT

- **Fruitless and Wasteful Expenditure**

The Entity incurred fruitless and wasteful expenditure relating to traffic fines paid on behalf of client departments amounting to R1.7 million.

- **Irregular Expenditure**

The Entity incurred irregular expenditure relating to the tracking of vehicles signed in terms of the initial contract, amounting to R951 238, as well as expenditure relating to expired leased contracts in respect of: R745 000 Rental of property at the Regional Offices, R443 000 for office equipment and R1,296 000 for cellphones subscriptions.

- **Supply Chain Management**

The Entity deals with orders below R500 000 thresholds which tenders are awarded by the Departmental Adjudication Committee (DAC) of which the Entity has a member in it. In the current financial period there were no tenders awarded by the DAC relating to the entity.

- **Gifts and Donations Received in Kind from Non-Related Parties**

The test drives received from the different manufacturers which are only allocated to the Entity's Executive and Senior Management officials (Chief Executive Officer, Chief Operations Officer, Chief Financial Officer) and its Directors.

The Entity also receives gifts such as wallets, mugs, pens, note books, calendars, etc. All these gifts are signed and fully declared in the g-Fleet Register for Gifts and Donations.

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

The Entity did not request any deviation from National Treasury.

- **Events after the reporting date**

There are no events subsequent to the reporting date that have been identified.



Chief Executive Officer

Mr. C. Chikane

31 May 2015

4. Statement of responsibility and confirmation of the accuracy of the Annual Report

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

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

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

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

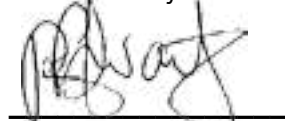
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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 31st March 2015.

Yours faithfully



Accounting Officer

Mr. R. Swartz

Date: 31 May 2015

5. STRATEGIC OVERVIEW

Vision

We keep Government Service Delivery on the Move.

Mission

We will achieve our vision by:

- Providing effective, competitive and efficient fleet services to government.
- Focusing on providing reliable fleet to meet client needs.
- Building and maintaining sustainable stakeholder relations.

Values

Furthermore core values applicable to the Provincial Government were revised and reflect as follows:

“...Competence, Accountability, Integrity and Responsiveness...”

These values are all underpinned by the concept of team work and will apply to the Entity as well as to all officials of g-FleeT. A detailed description of what each core value encapsulates is outlined below.

CORE VALUES	DETAILED DESCRIPTION
COMPETENCE	<ul style="list-style-type: none">- We commit to be competent and excellent at all times.- We undertake to deliver services with passion, excitement and enthusiasm.- Our people are able to do the tasks they are appointed to do, live our values and always strive for excellence.- We all deliver on our outcomes and targets with quality, on budget and in time.- We demonstrate an understanding of and work together to achieve our role in our Constitutional and electoral mandate.

CORE VALUES	DETAILED DESCRIPTION
ACCOUNTABILITY	<ul style="list-style-type: none"> - We pledge to be answerable to our stakeholders in the execution of our mandate and service delivery activities. - We commit to deliver a service that meets our stakeholders' expectations. - We have a clear understanding of our objectives, roles, delegations and responsibilities. - We are committed to deliver agreed outputs on time. - We hold each other accountable and know we can trust to do and we say we will. - As individuals we take responsibility and ownership for our outcomes and accept the consequences of failure to do so.
CORE VALUES	DETAILED DESCRIPTION
INTEGRITY	<ul style="list-style-type: none"> - We commit to be ethical, professional, principled, fair and just in our conduct. - We pledge to uphold sound principles of institutional management and efficient systems and processes in service delivery. - We seek for truth and greater understanding of it in each situation and we do the right things. - We are honest, show respect and live out our positive values. - We are reliable and trustworthy, doing what we say we will. - There are no grey areas with integrity applying at all levels in all instances ensuring we are corrupt free.

CORE VALUES	DETAILED DESCRIPTION
RESPONSIVENESS	<ul style="list-style-type: none"> - We shall be approachable, receptive and quick to respond to stakeholder needs. - We take our fellow public servants seriously, listening and hearing their voice. (listening a lot and talking less) - We respond with action timeously, always asking is this right response, where we could be potentially wrong and how we can do it better? - We engage collaboratively with each other, our stakeholders and the media providing full information. - Our focus is the past, present and future public service citizens, and responding as their government for the best results for the people we serve. They tell us how well we respond.

6. LEGISLATIVE AND OTHER MANDATES

Regulation 19 issued in terms of the Public Finance Management Act of 1999 governs the operations of the organisation in terms of its policy and reporting framework, establishment, capital requirements, disposal of assets and financial reporting. The following legislative mandates are applicable:

- Cross-Border Road Transport Act, No. 4 of 1998.
- Road Traffic Act, Act No.29 of 1989.
- Public Finance Management Act, No. 1 of 1999.
- National Environmental Management Act, No. 107 of 1998
- Road Traffic Management Corporation Act, No. 20 of 1999.
- National Road Traffic Act, No. 93 of 1996.
- National Road Traffic Safety Act, No.12 of 1972.
- Gauteng Transport Framework Revision Act, No.8 of 2002.
- Gauteng Public Passenger Road Transport Act, No. 7 of 2001.
- Gauteng Transport Infrastructure Act, No. 8 of 2001.
- Gauteng Planning and Development Act, No. 3 of 2003.
- Provincial Road Traffic Act, No. 10 of 1997.
- Gauteng Toll-Roads Bill 2005.
- Road Traffic Act, No. 29 of 1989.
- Administrative Adjudication of Road Traffic Offences Act, No. 46 of 1998.
- Gauteng Transport Framework Revision Amendment Act, 2007.

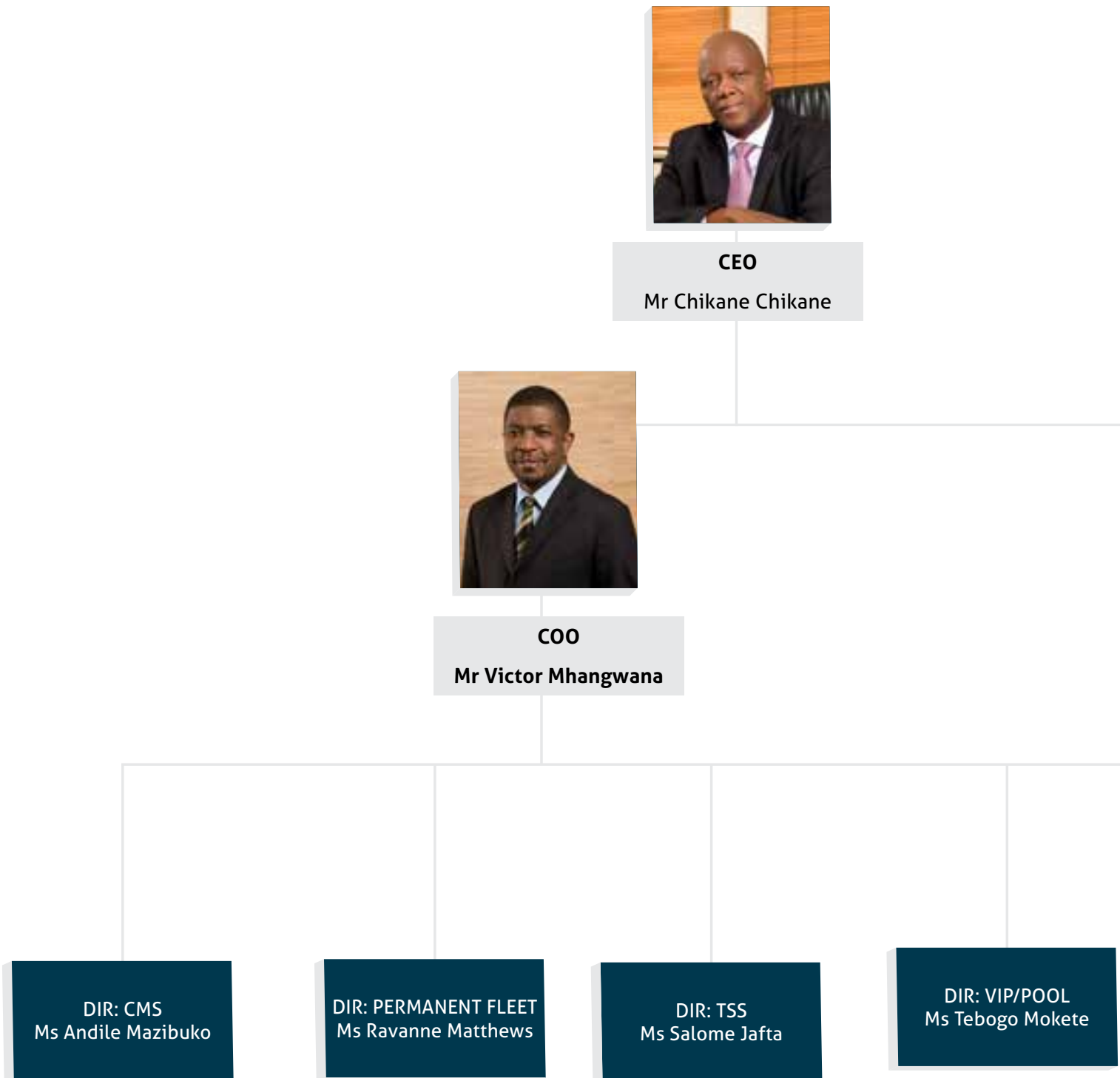
The Entity's operations are largely regulated by the National Transport Circular No. 4 of 2000, which governs all matters relating to the utilisation of government-owned transport.

Policy and Mandates

The following policy mandates are applicable:

- White Paper on National Transport Policy.
- National Land Transport Strategic Framework.
- Provincial Policy and Legislative Mandates
- Gauteng White Paper on Transport Policy.
- Gauteng Transport Legislative Framework.
- Gauteng Legislation on Development Planning.

7. Organisational Structure





CFO
Ms Natalie Govender

**DIR: MAINTAINANCE
SERVICES**
Mr Hlalanathi Sishi

**DIR: CORPORATE
SERVICES**
Vacant

DIR: FINANCE
Mr Thulani Mkwana

ASD: SCM
Mr Kiddo Lofafa



gFleet

Powering the solution

INFORMATION LISTS



SAVING PROVED

SAVING PROVED

PART B:

PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to *page 322* of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF ENTITY PERFORMANCE

Service Delivery Environment for 2014/15 FY

This section deals with external factors that impacted on the Entity's ability to deliver on its strategic objectives and commitments during the current financial year.

Fuel and Maintenance Services Contract (RT46)

During the year under review, a new maintenance service provider, (Transit Solutions), was awarded the National Treasury transversal RT46-2014 contract for the provision of fuel and maintenance management services to government therefore replacing Wesbank. The RT46 contract is managed by the National department of Transport.

Given the compressed setting up period granted, the new service provider struggled to process requests for vehicle maintenance, timeously. The service was characterised by long delays in the provision of authorisations to merchants to proceed with repairs and maintenance services. There were delays in billing g-Fleet for services rendered for a better part of the year, leading to a backlog in spending on both fuel, maintenance and repairs. Other government entities and departments using the same service provider were equally affected. The matter was raised with National Department of Transport and was then addressed by the department.

The Unserved Debt Owed by Client Departments

A few Client Departments owe g-Fleet significant amounts of money. One of the interventions, to improve on the collection of the substantial overdue accounts from client departments was, among other things, to hold back orders for new vehicles, in order to avoid placing the Entity in a negative cash flow predicament. This measure was to specifically avoid procuring new vehicles for clients who were clearly struggling to pay for what they were using. This resulted in underspending.

Slow Collection of New Vehicles

Client Departments were slow in collecting new vehicles, procured per order. Especially replacement vehicles aimed at keeping the average age of the fleet low and cost effective from a maintenance point of view. In order to avoid a significant number of vehicles that were purchased but not collected, new orders from such departments were not until they began collecting what was awaiting collection. Holding back orders also added to underspending.

Right Sizing the Fleet

For those Departments that experienced budget constraints, such as the Department of Health and Community Safety, g-Fleet offered assistance to reduce their monthly spend on vehicle rentals through de-fleeting their "old" vehicles without replacing them as well as the return of the short-term rental vehicles in order to maximize the utilisation of their long-term lease vehicles.

Organisational Environment for 2014/15

Service delivery for the current financial year under review focused on five areas. These were designed to achieve the following:

- improve client satisfaction
- protect movable assets through tracking
- grow, replenish and maintain a low average age of the fleet
- provide for short term lease
- provide on-going maintenance

Client satisfaction: The clients were surveyed by an independent organisation, to rate the services they receive from g-Fleet. The results show a drop from 62% satisfaction in 2013/14 to 45% in 2014/15. That represents 17% drop year on year. Seen against the target of 75% in 2014/15, the variance is 30% below target. Two new developments during the financial year can help to shed light on the fall in rating. First, the change of the transversal RT46 contract service provider for fuel and maintenance, led to backlogs in the authorisation of repairs and late billing for fuel, while the new service provider was still learning the ropes. Secondly, the use of the driver identification tag before starting a vehicle, which was part of the new tracking technology deployed during the financial year, often caused delays in starting vehicles and aggravated drivers. This was confirmed during the regional forums with clients. Solutions are a work in progress.

Vehicle Tracking: The project to protect movable assets through tracking, achieved its target of installing 6094 tracking units during the financial year. After that period, vehicles were tracked subject to the fleet dynamics. The fleet dynamic entails the inflow of about 1196 new vehicles during the year and an outflow of about 805 older vehicles. The aim was to maintain an average age of below 4 years per vehicle. This meant that over 800 tracking devices have been removed from old vehicles to be installed in new vehicles entering the fleet throughout the year.

A snap shot of the fleet, at any given time during the financial year, would show installed units of less than 6094. There will be units on hand or units removed from old vehicles, which would be in the process of being installed into new vehicles. At any given time, the vehicles that were fitted with devices and in active services were tracked. When vehicles were auctioned, units were removed and refitted to new vehicles. The actual number of vehicles tracked was reported for each quarter.

Vehicle Acquisitions: The Entity did not achieve its planned target of acquiring 1900 vehicles and instead achieved 1196, leaving behind a shortfall of 704 vehicles. Instead of procuring 100 Eco Friendly vehicles the entity only achieved 46 instead. The commitment to replenish and lower the average age of the fleet was done on three fronts.

- Eco- friendly vehicles acquisition target was 100 and only 46 were procured (-54) missed.
- Replacement vehicles target was 1300 and only 805 were procured (-495) missed.
- Additional vehicles target was 500 and only 345 were procured (-155) missed.

The reasons for the shortfall are as follows:

- Due to the limited choice of eco-friendly vehicles in the current financial year's RT57 Contract, as well as the fact that these vehicles cost more than general vehicles, client departments look at the upfront costs and less on fuel costs and environmental issues, when they make decisions about procuring vehicles. The upfront leasing costs are higher for the eco-friendly vehicles than the standard vehicles. The consequential effect thereof contributed to the under spend on these vehicles. Cost saving that comes from the use of less fuel are not always factored in.
- In an effort to improve on the collection of overdue accounts from client departments, management took a decision to hold back on placing orders for new vehicles, for those clients who were clearly struggling to pay for what they were using. This was done to avoid growing the uncollectable debt.
- The necessary intervention of halting of orders for clients in arrears has had an unintended consequence of added to the reduction in acquisitions. There is a significant turnaround time relating to the delivery of vehicles ordered by the Entity takes a minimum of 3 (three) months i.e. from the time of order until the vehicle together with the supplier invoice is actually delivered.

Short Term Lease: Provide for short term vehicle transportation needs. The Entity has achieved its set target for short term vehicle to rent 97% of VIP vehicles to clients and 96% of Pool vehicles.

Maintenance Services: Provide on-going maintenance and establish an apprenticeship programme. During the year under review, a new maintenance service provider, Transit Solutions, was awarded the transversal RT46-2014 contract for the provision of maintenance and fuel management services to government by National Treasury, managed by the National Department of Transport, replacing Wesbank, who had served for about a two decades. The entity continued to maintain its lead position on competitive pricing in the fleet management industry. This competitive advantage was confirmed by the survey done in the last financial year, which had indicated that g-FleeT was competitively priced across 10 vehicle categories/rental tariffs, including chauffeur and VIP vehicles tariffs. During the financial year, the Entity advertised posts, interviewed and filled post. There has been a delay in the vetting of recommended candidates; however the intervention by the Department of Roads and Transport to use external services resulted in an improvement to the turnaround times for the appointment of preferred candidates.

Key policy developments and legislative changes

There was one key legislative change in the Labour Relations Act that will affect contract workers hired by the entity. The amendment which took effect in January 2015 deems contract workers who work more than three consecutive months as permanent employees.

3. STRATEGIC OUTCOME ORIENTED GOALS

The following Strategic Priorities/Goals have been agreed, to facilitate the Turnaround Strategy and achievement of Departmental/g-Fleet MTEF goals:

Strategic Goal 1 (Summary)	Improve operations and customer service
Goal Statement	To improve operations and customer service to world class standards by March 2015
Justification	This goal will ensure that services offered to clients meet expectations and that public funds are utilised to provide a service to support the mandates of client Departments.
Linkages	<p>The achievement of this goal will broadly contribute towards the achievement of Outcome 12: an effective, efficient and development oriented public service.</p> <p>More specifically, this goal will ensure that service delivery, quality and access (Output 1) are improved by g-Fleet and thus by government Departments.</p> <p>This goal will also contribute towards the achievement of efficient business processes and improved accountability to stakeholders (Output 3).</p>

Table 1: Strategic Goal # 1 Assessment & Linkages to Outcomes

Strategic Goal 2 (Summary)	Develop adequate management capacity and controls
Goal Statement	To develop adequate financial management capacity and controls to ensure clean audits from the 2011/12 financial year.
Justification	<p>This goal will ensure that financial processes, systems and controls will be implemented and monitored by staff with the requisite expertise.</p> <p>The achievement of this goal will ensure that the entity will achieve clean audits from the Auditor General from the 2011/12 external audit, in line with the GPG target for all Departments and entities.</p>
Linkages	<p>The achievement of this goal will broadly contribute towards the achievement of Outcome 12: an effective, efficient and development oriented public service.</p> <p>More specifically, this goal will contribute towards ensuring that service delivery, quality and access (Output 1) are improved by g-Fleet.</p> <p>This goal will also contribute towards the development of efficient business processes and improved accountability to stakeholders (Output 3) by improving financial and SCM capacity.</p> <p>Adequate and efficient internal controls to be developed and enhanced will also result in tackling corruption effectively (Output 4).</p>

Table 2: Strategic Goal # 2 Assessment & Linkages to Outcomes

Strategic Goal 3 (Summary)	Improve quality and cost-effectiveness of fleet
Goal Statement	To have a reliable, affordable fleet, suited to the needs of our clients by Mar 2015.
Justification	This goal will ensure that clients are provided with reliable and cost-effective fleet and support services, in line with client needs. This goal is also critical in ensuring that client expectations are met and that public funds allocated to state vehicles are utilised efficiently across client Departments.
Linkages	The achievement of this goal will broadly contribute towards the achievement of Outcome 12: an effective, efficient and development oriented public service. This goal will specifically ensure that all four (4) aspects of the service delivery, quality and access (Output 1) are improved by g-Fleet and thus within government Departments and will also contribute towards the achievement of efficient business processes and improved accountability to stakeholders (Output 3).

Table 3: Strategic Goal # 3 Assessment & Linkages to Outcomes

Strategic Goal 4 (Summary)	Maintain and improve levels of self-sustainability
Goal Statement	To remain self-sustainable and contribute to identified GPG Projects
Justification	This goal will ensure that adequate financial systems are implemented to meet client expectations and that public funds are utilised to provide efficient and reliable fleet management services to support the mandates of client Departments.
Linkages	The achievement of this goal will broadly contribute towards the achievement of Outcome 12: an effective, efficient and development oriented public service. More specifically, this goal will contribute towards the achievement of efficient business processes and improved accountability (Output 3) to stakeholders. This goal will also ensure that service delivery, quality and access (Output 1) are improved by g-Fleet to benefit client Departments.

Table 4: Strategic Goal # 4 Assessment & Linkages to Outcomes

Strategic Goal 5	Develop professional skills and expertise of all staff
Goal Statement	To strategically develop targeted professional skills and expertise of all our staff on an ongoing basis from the 2011 financial year.
Justification	This goal will ensure that services offered by g-Fleet to client Departments will meet and exceed client expectations, by professional and skilled staff.
Linkages	The achievement of this goal will broadly contribute towards the achievement of Outcome 12: an effective, efficient and development oriented public service. More specifically, this goal will ensure that service delivery, quality and access (Output 1) are improved by g-Fleet. This goal will also contribute towards the achievement of Human Resource Management and Development (Output 2) as well as efficient business processes and improved accountability (Output 3) to clients and stakeholders.

Table 5: Strategic Goal # 5 Assessment & Linkages to Outcomes

Strategic Goal 6	Broadly consult Key Stakeholders on positioning as Public Entity
Goal Statement	To initiate consultations to position and list the entity as an effective & efficient Government Fleet Management Public Entity from 2013.
Justification	This goal will ensure that adequate consultations and engagements are held with all stakeholders to facilitate a decision on the re-positioning of the entity as a Public Entity in the new term of government. This is intended to further harness the efficiencies and economies of scale to become a Public Entity that generates revenue for government.
Linkages	<p>The achievement of this goal will broadly contribute towards the achievement of Outcome 12: an effective, efficient and development oriented public service.</p> <p>More specifically, this goal will ensure that service delivery, quality and access (Output 1) are further improved by g-FleeT as a Trading Entity.</p> <p>It will also contribute towards the achievement of efficient business processes and improved accountability (Output 3) to stakeholders.</p>

Table 6: Strategic Goal # 6 Assessment & Linkages to Outcomes

4. PERFORMANCE INFORMATION PER PROGRAMME

PROGRAMME 1: CLIENT MANAGEMENT SERVICES

This programme is responsible for developing and maintaining sustainable relationships and partnerships with the Entity's customers and stakeholders.

The following is the sub-programme structure:

- Client Management Services

Strategic Objective 1.1: To build, maintain and sustain effective client relations

Programme Name: Client Management Services					
Measurable objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
To measure customer's level of satisfaction with service delivered by g-FleeT to increase client satisfaction	62%	75% Client Satisfaction	45% Client Satisfaction	-30%	Service level degradation due to teething problems: Change of transversal fuel and maintenance service providers without a phasing in period. The sensitive drives tag that works intermitted.

Key Performance Indicators

Programme / Sub-programme: Client Management Services					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
g-FleeT Customer Satisfaction Survey Report	62%	75% Client Satisfaction	45% Client Satisfaction	-30%	Service level degradation due to teething problems: Change of transversal fuel and maintenance service providers without a phasing in period. The sensitive drives tag that works intermitted.

Strategy to overcome areas of under performance

The introduction of a new fleet information system which will be able to manage the fleet more effectively and efficiently for g-Fleet and the clients we service. The integration with other system that g-Fleet utilises in its fleet management like the tracking system and the transactional system.

Changes to planned targets

There were no changes to planned targets.

Programme Expenditure

	2014/2015			2013/2014		
Sub- Programme Name	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
Client Management Services	20 573	7 132	13 441	14 506	9 799	4 707
Total	20 573	7 132	13 441	14 506	9 799	4 707

PROGRAMME 2: OPERATIONAL MANAGEMENT SERVICES

This programme is responsible for the provision of reliable fleet and fleet management services to client Departments, in line with Service Level Agreements and relevant legislation.

The following are the sub-programme structures:

- Transport Support Services.
- Permanent Fleet.
- VIP and Pool Services.
- Fleet Maintenance.

Strategic Objective: To provide clients with safe, high quality, affordable, reliable and environmentally sound fleet transport service.

Programme Name: Operational Management Services					
Measurable objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
SUB PROGRAMME: TRANSPORT SUPPORT SERVICES					
To provide customers with a safe and reliable efficient fleet	89% (5443) of active vehicles tracked	100% of active vehicles with functional units to be tracked and monitored. (6094 Vehicles)	100% of active vehicles with functional units tracked and monitored. (5677 Vehicles)	-	-
SUB PROGRAMME: PERMANENT FLEET					
To enhance environmental considerations by improving the fleet's eco friendliness	9 Eco-friendly vehicles purchased	100 Eco-Friendly vehicles to be ordered	46 Eco-Friendly vehicles were ordered	-54	The cost curbing measures instituted by the province negatively impacted the demand for eco-friendly vehicles from client departments.
To respond to clients' needs and requirements with a safe, cost effective and reliable fleet	1095 Vehicles replaced	1300 Replacement Vehicles to be ordered.	805 replacement vehicles were ordered	-495	The cost curbing measures instituted by the province negatively impacted the demand for replacement vehicles from client departments.
To respond to clients' needs and requirements with a safe, cost effective and reliable fleet	Not reported in 2013/14 APP	500 new / additional vehicles to be ordered.	345 new / additional vehicles were ordered.	-155	The cost curbing measures instituted by the province negatively impacted the demand for additional vehicles from client departments.

SUB PROGRAMME: VIP AND POOL					
To efficiently rent out VIP vehicles to clients	98.1% of active VIP vehicles rented to clients 359 Vehicles	97% of active VIP vehicles rented to clients.	97.8% of active VIP vehicles were rented to clients	+0.8%	There was an overachievement of the set target, due to the vehicles being allocated, in line with high demand and client requests
To efficiently rent out POOL vehicles to clients.	99.5% of active POOL vehicles rented to clients 989 Vehicles	96% of active Pool vehicles rented to clients.	99.% of active POOL vehicles were rented to clients	+3.0%	There was an overachievement of the set target, due to the vehicles being allocated, in line with high demand and client requests
SUB PROGRAMME: FLEET MAINTENANCE SERVICES					
To develop and implement an approved apprenticeship programme in order to provide more skilled technicians to the motor industry.	Not reported in 2013/14 APP	Fully implemented apprenticeship programme	Draft apprenticeship programme completed.	-100%	Delays in appointment of the apprenticeship programme manager.

Key Performance Indicators

Sub-programme: Transport Support Services					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
% of active vehicles with functional units tracked and monitored by 31 March 2015. (6094-295-1000=4799) 6094 Total 295 Exclusions 1000 Damaged and faulty units	89% (5443) of active vehicles tracked	100% of active vehicles with functional units tracked and monitored (6 094 vehicles)	100% of active vehicles with functional units tracked and monitored. (5 677)	-	-

Strategy to overcome areas of under performance

TSS will work weekly on the in-active report to attend to vehicles with faulty units; the new tender process will also be fast tracked.

Changes to planned targets

There were no changes to planned targets.

Sub-Programme: Permanent Fleet					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
Total number of eco-friendly vehicles to be ordered by 31 March 2015.	9 Eco-friendly vehicles purchased	100 Eco-Friendly vehicles to be ordered	46 Eco-Friendly vehicles were ordered	-54	The cost curbing measures instituted by the province negatively impacted the demand for eco-friendly vehicles from client departments.
Number of replacement vehicles to be ordered by 31 March 2015.	1095 Vehicles replaced	1300 Vehicles to be ordered.	805 replacement vehicles were ordered	-495	The cost curbing measures instituted by the province negatively impacted the demand for replacement vehicles from client departments.

Sub-Programme: Permanent Fleet					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
Number of additional vehicles to be ordered by 31 March 2015.	Not reported in 2013/14 APP	500 new vehicles to be ordered.	345 new / additional vehicles were ordered.	-155	The cost curbing measures instituted by the province negatively impacted the demand for additional vehicles from client departments.

Strategy to overcome areas of under performance

The entity (Permanent Fleet) embarks to communicate and sensitise the relevant client departments before the end of the first quarter in the new financial year on the vehicles earmarked for replacement. This is in an effort to proactively kick-start the replacement cycle and to establish a commitment from the relevant client departments. The entity will also automate the manually generated FML quotations in order to expedite the vehicles ordering process and improve our responsiveness to client demands.

Changes to planned targets

There were no changes to planned targets.

Sub-Programme: VIP and Pool Services					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
% of active VIP fleet vehicles rented by the end of each year.	98.1% of active VIP vehicles rented to clients 359 Vehicles	97% of active VIP vehicles rented to clients.	97.8% of active VIP vehicles were rented to clients	+0.8%	There was an overachievement of the set target, due to the vehicles being allocated, in line with high demand and client requests
% of active POOL fleet rented out by end of each year.	99.5% of active POOL vehicles rented to clients 989 Vehicles	96% of active Pool vehicles rented to clients.	99.0% of active POOL vehicles were rented to clients	+3.0%	There was an overachievement of the set target, due to the vehicles being allocated, in line with high demand and client requests

Strategy to overcome areas of under performance

The baseline of VIP was 359 vehicles at the beginning of the year. This number fluctuates as a result of acquisitions, stolen, withdrawals and vehicles in the workshop. The target for VIP was to rent out 97% of the total active fleet which translates to the average of 325 vehicles per annum. The business unit exceeded this target by renting out the average of 328 vehicles. The Unit achieved 97.7% performance which is 0.7% above target. The over-achievement is attributed to high demand of client requests.

The baseline of Pool vehicles was 989 vehicles at the beginning of the year. This number fluctuates as a result of acquisitions, stolen, withdrawals and vehicles in the workshop. The target for Pool was to rent out 96% of the total active fleet which translates to the average of 966 vehicles per annum. The business unit exceeded this target by renting out the average of 997 vehicles. The Unit achieved 99.0% performance which is 3.0% above target. The over-achievement is attributed to high demand of client requests.

Changes to planned targets

There were no changes to planned targets.

Sub-Programme: Fleet Maintenance					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
Apprenticeship Programme	Not reported in 2013/14 APP	Programme Plan approved and implemented.	Draft apprenticeship programme completed.	-100%	Delays in appointment of the apprenticeship programme manager.

Strategy to overcome areas of under performance

The speedy approval of the Apprenticeship Programme Manager post to be advertisement and appointment to take place.

Changes to planned targets

There were no changes to planned targets.

Programme expenditure

Sub- Programme Name	2014/2015			2013/2014		
	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
Transport Support Services	192,895	180,180	12,715	204,660	222,058	(17,398)
Permanent Fleet	381,313	467,721	(86,408)	307,122	300,283	6,839
VIP and POOL Services	11,805	4,893	6,912	17,829	9,395	8,434
Fleet Maintenance	150,958	106,583	44,375	131,044	116,775	14,269
Total	736,970	759,376	(22,405)	660,655	648,511	12,144

PROGRAMME 3: CORPORATE AND FINANCIAL MANAGEMENT

This programme is responsible for the efficient management of financial resources and for the timeous procurement of goods and services, in line with the PFMA and Treasury Regulations.

The following are the sub-programme structures:

- Human Resource Management
- Financial Management

Strategic Objectives 3.1: To ensure that adequate internal controls and systems are in place in order to improve and ensure effective, efficient and sound financial, budget, asset and procurement,(including human resource) management.

Programme Name: Corporate and Financial Management					
Measurable objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
To capacitate the entity with skills that will enable the entity deliver services at a required standard.	Sub-Programme: Human Resource Management				
	Not reported in the 2013/14 APP	Development and approval of the 2014/15 FY training plan	Training Plan approved for implementation	-	-
	256 Officials trained	Full Implementation of the approved 2014/15 Training Plan	372 Officials were trained.	116 (106%)	Some officials trained on more than one skills set.

Programme Name: Corporate and Financial Management					
Measurable objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
To develop a 5 year HR Strategy and Plan that supports g-Fleet's Organisational Strategic Plan which enables the Entity to execute its mandate	Not reported in the 2013/14 APP	Development and approval of 5 year HR Strategic Plan (2014-2019)	5 Year HR Strategic Plan approved on 5 th December 2014	-	-
SUB-PROGRAMME: FINANCIAL MANAGEMENT					
To monitor and maximise revenue collection and effectively manage outstanding debt	-133 Days	30 Days	224 Days	747%	Non-payment by client departments for the following reasons: Departments experiencing financial problems Incorrect Billing Late Billing
To manage all debt and liabilities effectively	2 474 payments made within 30 days (2 596)	All supplier invoices paid within 30 days	2,187 payments made within 30 days (2,265)	97%	Delays in approval of invoices by responsible business units.
To develop and implement adequate financial management to achieve a clean audit report	Adverse Opinion	Clean Audit Report	Disclaimer	-100%	-

Programme Name: Corporate and Financial Management					
Measurable objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
To efficiently facilitate the procurement of goods and services and to empower BBBEE service providers through increased local procurement.	<p>Percentage of BBBEE expenditure awarded to:</p> <p>-Historically Disadvantaged Individuals(HDI's)</p> <p>HDI – 24%</p> <p>Woman – 14%</p> <p>Youth – 11%</p> <p>PWD – 4%</p> <p>(R6 151 742)</p>	<p>Percentage of BBBEE expenditure awarded to:</p> <p>80% HDI</p> <p>30% Women Owned</p> <p>10% Youth</p> <p>2% PWD</p>	<p>Percentage of BBBEE expenditure awarded to:</p> <p>HDI – 57%</p> <p>R8 435 689.28</p> <p>Women – 20%</p> <p>R2 976 245.42</p> <p>Youth – 17%</p> <p>R2 462 634.61</p> <p>PWD – 3%</p> <p>R366 871.40</p>	<p>Percentage of BBBEE expenditure awarded to:</p> <p>Percentage of BBBEE expenditure awarded to:</p> <p>HDI - 23%</p> <p>Women - 10%</p> <p>Youth - +7%</p> <p>PWD - +1%</p>	g-Fleet has a limited number of suppliers to approach, who have the required HDI and Women % of BBBEE requirements.

Key Performance Indicators

Sub-Programme: Human Resource Management					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
% of Skills Developed	Not reported in the 2013/14 APP	Development and approval of the 2014/15 FY training plan	Training Plan approved for implementation	-	-
	256 Officials trained	Full Implementation of the approved 2014/15 Training Plan	372 Officials were trained.	116 (106%)	Some officials trained on more than one skills set.
Approved Strategic HR Plan.	Not reported in the 2013/14 APP	Development and approval of 5 year HR Strategic Plan (2014-2019)	5 Year HR Strategic Plan approved on 5 th December 2014	-	-

Strategy to overcome areas of under performance

Not applicable

Changes to planned targets

There were no changes to planned targets.

Sub-Programme: Financial Management					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
Number of debtors' collection days.	-133 Days	30 Days	224 Days	747%	Non-payment by client departments for the following reasons: Departments experiencing financial problems Incorrect Billing Late Billing

Sub-Programme: Financial Management					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations (reason)
Number of supplier invoices settled within 30 days after the receipt of the invoice.	2 474 payments made within 30 days (2 596)	All supplier invoices paid within 30 days	2,187 payments made within 30 days (2,265)	97%	Delays in approval of invoices by responsible business units.
Unqualified Audit Report	Adverse Opinion	Clean Audit Report	Disclaimer	-100%	-
Percentage of BBBEE expenditure awarded to:	Percentage of BBBEE expenditure awarded to:	Percentage of BBBEE expenditure awarded to:	Percentage of BBBEE expenditure awarded to:	Percentage of BBBEE expenditure awarded to:	g-Fleet has a limited number of suppliers to approach, who have the required HDI and Women % of BBBEE requirements.
-Historically Disadvantaged Individuals(HDI's)	-Historically Disadvantaged Individuals(HDI's)			HDI - 23%	
-Women				Women - 10%	
-Youth				Youth - +7%	
-PwD				PWD - +1%	
	HDI – 24% Woman – 14% Youth – 11% PWD – 4% (R6 151 742)	80% HDI 30% Women Owned 10% Youth 2% PWD	HDI – 57% R8 435 689.28 Women – 20% R2 976 245.42 Youth – 17% R2 462 634.61 PWD – 3% R366 871.40		

Strategy to overcome areas of under performance

Number of collection days:

Arrange constant meetings with the client departments with an aim of resolving any disputes that may exist which may be the cause of them not to pay. Resolve any system issues that relates to incorrect billing. Rigorous follow ups to ensure that all contract management issues are resolved promptly.

Percentage of BEE expenditure awarded to Historically Disadvantaged Individuals (HDI's):

Engagements with suitable external procurement and sourcing specialists who are able to assist the entity in addressing the challenges faced with regard to procuring goods and services from those suppliers who meet the BBBEE requirements. Conduct workshops with HDI companies.

Changes to planned targets

There were no changes made to the planned targets.

Programme expenditure

Sub-Programme Name	2014/2015			2013/2014		
	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
Corporate Services	49,985	53,529	3,544	105,497	59,130	46,367
Office of the CFO	26,742	10,660	-16,082	20 962	19,756	1,206
Total	76 727	64 189	-12 538	126 459	78 886	47 573

5. Capital investment

Capital investment, maintenance and asset management plan

Infrastructure projects	2013/2014			2014/2015		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Partitioning and Construction of offices at g-FleeT Wellness Centre	613	-	613	-	-	-
Supply and install office furniture to g-FleeT Wellness Centre	1 805	-	1 805	-	-	-
Perimeter lighting upgrade	1 103	-	1 103	-	-	-
Upgrade of roads, parking and stormwater management	28 800	-	28 800	-	12 712	100%
Sewer and portable water reticulation	1 687	-	1 687	-	-	-
Construction of Carwash and boundary wall	1 652	-	1 652	-	339	100%
Professional fees	-	-	-	-	-	-
Professional fees – assessment of infrastructure	1 778	-	1 778	-	-	-
Demolition of concrete stabs		-		2 728	2 882	106%
Total	37 438	-	37 438	2 728	15 933	-584%

Infrastructure projects	2013/2014			2014/2015		
	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	283 250	205 390	77 860	390 726	297 271	93 454
Existing infrastructure assets	-	-	-	-	-	-
Upgrades and additions	37 438	24 864	12 572	2 728	13 538	10 810
Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer	-	-	-	-	-	-
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
Total	270 660	235 481	35 179	393 454	310 809	104 264



PART C:

GOVERNANCE

1. Introduction

Commitment by the trading entity to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the Entity has good governance structures in place to effectively, efficiently and economically utilize state resources, which is funded by the tax payer.

2. Risk Management, Fraud and corruption

Risk Management at the Department assume responsibility for Enterprise Wide Risk Management through the co-ordination of the identification, analysis, mitigation and monitoring of all risk facing the Entity will ensure compliance to the PFMA and other related legislation.

The risk management approach is to establish and maintain appropriate systems and processes to ensure the effective and efficient managing of risks facing the trading entity.

However, every employee of the trading entity has the responsibility to manage risks that are identified to ensure that the system of internal control is managed effectively and efficiently.

The Department has an approved Fraud Prevention Plan that is aligned with PFMA and Treasury Regulations, which is also applicable to the Entity.

Progress made in addressing the identified risks

As per the risk management philosophy, only the top ten high risks are treated as urgent and should be regularly monitored. The trading entity therefore identified multiple high risks but prioritized the top six high risks which had a residual rating of high to be closely monitored.

Of the top six high inherent risks, three showed a high residual rating i.e. the controls were not sufficient to manage the risks. Mitigating factors to manage the risks were provided for improvement of the control environment. Through follow ups, the trading entity has noted a minimal reduction of high residual rating as a result of implementation of mitigating factors that were agreed upon. This is a reflection of a slight improvement in management of risks.

Of the abovementioned six risks, three risks are still in progress. While the Entity has implemented some of the action plans to address the risks identified, however there are those risks that still need to be addressed.

3. Minimising Conflict Of Interest

The Entity through the internal control monitored by the Office of the MEC ensures that all its SMS members declare their interest on an annual basis in line with the requirements of the Public Service Commission.

Employees on level 1 to 12 are encouraged to request permission to perform work outside their normal remuneration work. For Supply Chain Management, directors of all companies submitting quotations with the intention to provide goods or services are required to complete SBD 4 Declaration forms.

4. Code of Conduct

The Entity has a code of ethics that apply to each and every employee of the entity including management. The code has been presented in several staff meetings held to ensure that all officials were made aware of its implications.

The Entity has given the responsibility of the ethics officer to one of its managers who will then ensure that all related matters are attended to and that employees are always made aware of the contents of the code.

5. Health, Safety and Environmental Issues

The main focus in occupational health is on three different objectives: (i) the maintenance and promotion of workers' health and working capacity; (ii) the improvement of working environment and work to become conducive to safety and health and (iii) development of work organizations and working cultures in a direction which supports health and safety at work. In doing so also promotes a positive social climate, smooth operations and may enhance productivity of the undertakings.

The Entity addressed and identified safety issues relating to healthy working conditions for staff by embarking on a vigorous exercise of refurbishing offices thus creating space for staff to work, upgraded ablution facilities and attended to a number of leakages in toilets. Air conditioners were repaired and others were replaced in some offices. Pest control exercises were performed in all offices. Fire/emergency equipment were serviced. Water reticulation projects were completed to ensure there is clean water made available for staff. The outside area was improved by ensuring the creation of ample parking spaces for vehicles, designated parking areas were clearly demarcated for orderly parking of all vehicles.

6. Portfolio Committees

Reporting by	Reporting to	Method	Matters reported	Timing of the report	Action taken on matters report
g-FleeT Management: CEO (Mr. Chikane)	R&T Portfolio Committee	Presentation	3rd Quarter (14/15)	October – December 2014	A Report is sent and presented to the R&T Portfolio committee
g-FleeT Management: CEO (Mr. Chikane)	R & T Portfolio Committee	Presentation	4th Quarter (14- 15) 19 May 2015	January – March 2015	A Report is sent to the R&T Portfolio committee
g-FleeT Management: CEO & CFO	R & T Portfolio Committee	Presentation	14-15 FY Annual Budget 11 July 2014	2014-15 FY	A Report is sent and presented to the R&T Portfolio committee
g-FleeT Management: CEO & COO	R & T Portfolio Committee	Presentation	Resolutions for 13/14 Annual Report	13/14 FY	A Report is sent to the R&T Portfolio committee
g-FleeT Management: CEO (Mr. Chikane)	R & T Portfolio Committee	Presentation	14-15 FY Quarter 1 Performance 02 September 2014	April – June 2014	A Report is sent and presented to the R&T Portfolio committee
g-FleeT Management: COO	R & T Portfolio Committee	Presentation	13-14 FY Annual Report 16 October 2014	2013-2014 FY	A Report is sent and presented to the R&T Portfolio committee

Reporting by	Reporting to	Method	Matters reported	Timing of the report	Action taken on matters report
g-FleeT Management: CEO (Mr. Chikane)	R & T Portfolio Committee	Presentation	14-15 FY 2nd Quarter Performance	July – September 2014	A Report is sent and presented to the R&T Portfolio committee
g-FleeT Management: CEO & CFO	Audit Committee	Presentation	1st Quarter Performance (14-15 FY) 22 August 2014	April – June 2014	A Report is sent and presented to the R&T Audit committee
g-FleeT Management: CEO & CFO	Audit Committee	Presentation	2nd Quarter Performance (2014-15FY) 13 November 2014	July – September 2014	A Report is sent and presented to the R&T Audit committee
g-FleeT Management : CEO & CFO	Audit Committee	Presentation	3rd Quarter Performance (2014-15) 12 February 2015	October – December 2014	A Report is sent and presented to the R&T Audit committee
g-FleeT Management : CFO & COO	Audit Committee	Presentation	4th Quater Performance (2014-15)	January - March 2015	A Report is sent and presented to the R&T Audit committee

7. SCOPA Resolution

SCOPA RESOLUTIONS FOR 2014/15 FINANCIAL YEAR

RESOLUTION NUMBER	RESOLUTION	ENTITY'S RESPONSE	RESOLVED (YES / NO)
5.1.4.1	The MEC provides the committee with an updated schedule of revenue and receivables within 30 days after the finalisation of the internal audit of the system in relation to the existing transactions and contract recorded in FIS	<p>The Entity did not update the schedule of revenue and receivables within 30 days after the finalisation of the Internal Audit of the System in relation to the existing transactions and contracts recorded in FIS.</p> <p>This was as a result of the Entity not being able to complete designated Revenue and Receivables Data Capturing Project the intended journal calculations for the Receivables and the Revenue Recalculation were not processed for adjustment to the 31 May AFS submission.</p>	In Progress

RESOLUTION NUMBER	RESOLUTION	ENTITY'S RESPONSE	RESOLVED (YES / NO)
5.1.6.2	The CEO should provide the committee with a progress report detailing the status of the internal audit system within 30 days of adoption hereof and the quarterly progress report continuing up until finalisation thereof	<p>Please find attached the final Report as issued by the appointed service provider PricewaterhouseCoopers (PwC) detailing the outcome of the investigation conducted over the contracts and transactions recorded within the FIS system which has direct impact the updated schedule of revenue and receivables. (linked to question 1 above)</p> <p>The appointed service provider executed the services in accordance with the International Standards on Related Services (IRS) 400: Engagements to Perform Agreed-Upon Procedures Regarding Financial Information.</p> <p>These procedures were to assist the Entity in determining the accuracy of revenue recognised in relation to the current total fleet size within the FIS System as at 31 March 2015.</p> <p>Subsequent to the finalisation of the contractual Factual Findings engagement, the service provider presented and discussed all findings with Management and thereafter prepared a schedule of Weakness and Recommendations. In summary these findings are as follows:</p> <p>Agreed Upon Procedure No 5:</p> <p>The revenue implications relating to the comparisons of tariffs rates for leased vehicles were determined between the following criteria:</p> <p>Records with Incorrect and/or Mismatched Tariffs</p> <p>Records with Incorrect and/or Mismatched Quantity</p> <p>Records with Mismatched Billing</p> <p>Agreed Upon Procedure No 7 and 8:</p> <ul style="list-style-type: none"> - There were differences noted between the physical contracts inspected and the information loaded on the FIS system database. The exceptions noted were determined between the following criteria: <p>Records where no vehicles files requested were not provided or not made available.</p> <p>Records where the tariffs in the FIS reports differed from the one found in the file</p> <p>Records where the tariffs were in the file but nothing recorded on the FIS Report</p> <p>Records where the tariffs were in the FIS Report but nothing recorded on the file.</p> <p>Records whereby the unsigned quote was used when capturing tariff rates in FIS.</p> <p>Records whereby no explanations were provided for the differences noted</p> <p>Agreed Upon Procedure No 9 and 10:</p> <p>There were discrepancies noted on contracts that changes status from "in-service" to "sold" without first being classified as withdrawn</p> <p>The exceptions noted were determined as follows:</p> <p>Records where 1 381 contracts status were changed incorrectly (i.e.: from "in-service" to sold)</p>	In Progress

RESOLUTION NUMBER	RESOLUTION	ENTITY'S RESPONSE	RESOLVED (YES / NO)
5.1.6.2	That the MEC for Roads and Transport need to intervene drastically and provide the committee with a progress report on the effectiveness of measures put in place avoid the recurrence of the above mentioned findings within 30 days of adopting hereof.	<p>Due to the prior year audit outcome the MEC for Roads and Transport mandated the Trading Entity to fully implement all audit action items contained within the MEC Audit Intervention Plan. Amongst these relates to the following item:-</p> <p>Revenue and Receivables: (the duplicate billing generated in the FIS system):</p> <ul style="list-style-type: none"> - A full independent systems internal audit was to be performed on all revenue transactions generated by the system as a result of all contract information captured including any related changes thereto. <p>Over and above the commitment by all staff within the Entity to the implementation of those recommendations that are contained within the Revenue Factual Finding Reports as issued by the service provider, Management has agreed to implement the following recommendations with immediate effect. In summary these relates to the following three critical areas:</p> <p>CONTRACT INFORMATION:</p> <p>Senior Management will implement the following:</p> <ol style="list-style-type: none"> a. Implement increased rigorous daily and weekly review procedures at each stage of the process in order to ensure that the information captured in FIS is accurate, up to date at all times and to ensure that there are no discrepancies b. Perform mandatory test checks of the entire review process to ensure the integrity of data and that all contract information is accurately captured in the system. c. Ensure that all information on the file is captured and loaded on the system (vice-versa) so that the system is kept up to date of all the changes made, including each approved signed FIS Request for Change Form. d. Ensure that only individual original copies of a signed client Quotations are used when loading the tariff rates. e. Except for the fleet relating to Judges, to ensure that no contract is opened against a client without the related signed tariff rate being captured onto the system. f. Prohibit all circumvention of any of the system's controls/ business rules that are to be maintained within the system. e.g.: 	In Progress

RESOLUTION NUMBER	RESOLUTION	ENTITY'S RESPONSE	RESOLVED (YES / NO)
		<p>No vehicle contract will be opened on FIS without the signed Client Service Level Agreement in place as entered into between the Accounting Officer of the Client Department and the Department of Roads and Transport (Accounting Officer)</p> <p>No vehicle will be despatched or issued out to a client without obtaining the original signed documentation required for opening the respective client contract.</p> <p>No vehicle contract status is to be changed from "in-service" to "sold" without first being classified as withdrawn.</p> <p>No vehicles are to be dispatched to client with zero tariffs.</p> <p>No vehicle registration number is to be used on different vehicle contracts running simultaneously (either in whole or in part)</p> <p>g. Rectify and remedy all past known/actual circumvention of the system Business Rules immediately through the FIS Request for Change Process.</p> <p>h. Ensure the timely renewal and sign off on all expired SLA's</p> <p>TARIFF INFORMATION:</p> <p>Senior Management will implement the following:</p> <ol style="list-style-type: none"> Establish a separate table of standard approved tariffs using the system to calculate tariff rates (not perform calculations outside the system) Generate exception reports whenever the tariff rates differ from the standard approved tariffs contained in the tariff tables. Management to develop an appropriate communication tool to be easily distributed /accessible so as to comprehensively disclose how the vehicle tariffs are calculated. That will address as a minimum to following tariff components: <p>Base Price: As calculated on the total base cost of the vehicles</p> <p>Service Plan: As calculated on the cost of the maintenance plan</p> <p>Extras: As calculated on the actual cost of the additional accessory added onto the vehicle.</p>	

RESOLUTION NUMBER	RESOLUTION	ENTITY'S RESPONSE	RESOLVED (YES / NO)
		<p>SYSTEM INFORMATION:</p> <p>Senior Management will implement the following:</p> <ol style="list-style-type: none"> The FIS system to be configured to perform certain keys certain checks upon capturing. e.g.: fields checks, alphanumeric checks, mandatory fields, date fields, workflows and status handling, etc. To hold monthly workshops with all SMS members from the various Business Units in order to interrogate, discuss and clear all Key Exceptions as reported in the FIS Management Reports. <p>OTHER MEASURES:</p> <p>Senior Management is committed towards continuous learning from past challenges and experiences faced and agree to ensure forward and effect planning in order to address the following:</p> <ol style="list-style-type: none"> HR Organisational Training Plan is appropriately customised to the operational functions of each official so as to ensure proper skills development throughout the Entity. This Plan must be tabled and finalised – approved at the upcoming SMT meeting before the end of July 2015. Development of an effective Implementation Organisational Climate Survey Action Plan relating to the recommendations reported per g-Fleet Climate Satisfaction Survey. Physical Asset Verification plan (six months) is finalised and approved for appropriate communication and immediate implementation before 31st August 2015. 	
5.2.1.2	The CEO provides the committee with a progress report detailing the status of the lawsuits within 30 days of adoption hereof and a quarterly progress report continuing up until finalisation thereof.	<p>Barloworld (AVIS) – Contract claim for outstanding invoices and accident damage – Matter was referred to the Office of the State Attorney for legal representation. The matter is still in court.</p> <p>We received advice from the State Attorney that we must not react to the matter.</p>	In Progress
		<p>Mbokoda Construction – outstanding invoices (payment of final account)</p> <p>Matter was referred to the Office of the State Attorney for legal representation.</p> <p>The matter is still in court.</p> <p>Payment amounting to R 3 333 238.03 (Three Million Three Hundred and Thirty Three Thousand Two Hundred and Thirty Eight Rand Three cents) has been paid to the contractors who were part of the litigation. Interest rate of 15.5% per annum dating from 24 October 2012 to the identified applicants has been calculated and a submission compiled for payment. Mbokoda's claim amounting to R 3,484,471.38 is still under dispute.</p> <p>On the 29th July 2015 the matter will be on the court roll for the court to make ruling regarding the draft order from Mbokoda, which order will be unopposed, and refer the matter to trial.</p>	In Progress
5.2.1.2	In terms of Rule 182(4), the Entity must provide the Committee (SCOPA) and the portfolio committee on roads and transport with a progress report regarding the lawsuits within 30 days after adoption hereof and a quarterly progress report continuing up until finalisation thereof	The Entity acknowledges the above statement and shall ensure that the report is sent to the committees quarterly	In Progress

RESOLUTION NUMBER	RESOLUTION	ENTITY'S RESPONSE	RESOLVED (YES / NO)
5.2.2.2	The entity provides the committee with a progress report detailing the effectiveness of measures put in place to prevent the recurrence of restatements within 30 days of adoption hereof	The committee's recommendation is acknowledged and a report regarding the outcome of assistance provided by PWC is still in progress. PWC is still busy with the finalization of their Close-Out Report. The report will be provided to the Committee thereafter.	In Progress
5.2.3.1	The entity provides the committee with a progress report detailing the effectiveness of measures put in place to prevent material impairments within 30 days of adoption hereof	<p>The measure of opening of contract for new vehicles to ensure that billing commences timeously as vehicles are dispatched to clients is in place for long term lease. This avoids the non-billing of clients.</p> <p>The measure to ensure that tariffs are allocated to all new vehicles to ensure that billing can take place via the Fleet Information System when required has been implemented and is in place for long term lease. This avoids the non-billing of clients.</p> <p>For VIP and Pool where vehicles allocation to clients changes hands rapidly, the timeous capturing of information required for billing purposes is still work in progress.</p> <p>The major impact of the measures that were implemented was the closing of contracts by the Customer Management Services because most vehicles are returned via their office. The closing of Contracts reduced the challenge of continuously billing clients for the vehicles that have been returned and later having to reverse the billing. The other interventions are to be regarded as work in progress.</p>	In Progress
5.3.1.1	The MEC should intensify performance and consequence management processes to eliminate findings on non-compliance with key legislation and provide the committee with a progress report detailing the effectiveness of measures put in place to address challenges related to compliance with laws commencing 30 days after adoption hereof and a quarterly progress report continuing up until the end of the 2015/2016 financial year.	<p>The MEC has to date instructed the HOD to issue written warnings to officials within the entity and further action would be taken based on the situation with the Entity. The MEC has addressed all senior Managers of the Entity and indicated the importance of performing diligently and failure would result in disciplinary action being taken against such employees. The MEC has further decided to hold Managers directly accountable for their areas of performance.</p> <p>All audit findings had to be addressed and had to form part of the manager's performance management contract to ensure that they are implemented.</p>	In Progress
5.3.1.1	The MEC provides the committee with a progress report detailing the effectiveness of measures put in place to address poor leadership in the entity commencing 30 days after adoption hereof and a quarterly progress report continuing up until the end of the 2015/2016 financial year.	<p>Poor leadership</p> <p>As instructed, g-Fleet managers attended a conflict resolution session conducted by an organisation called ICAS to assess the source of the tensions in the organisation. During the facilitated session, members spoke openly and honestly about the tensions and the importance of resolving them. They embraced the session as a step in the right direction.</p> <p>The next stage will be a three phased approach involving the following:</p> <ul style="list-style-type: none"> • Managerial team audit • Developmental assessments • Team coaching <p>The outcomes are expected to be team cohesion, team conflict management and leadership development.</p> <p>In order to gauge the morale of the entire staff, g-Fleet contracted an external organisation to conduct a climate survey. The outcome revealed that about 70-80% of g-Fleet's staff is affected by low morale. Both reports will be submitted to the MEC</p>	In Progress

RESOLUTION NUMBER	RESOLUTION	ENTITY'S RESPONSE	RESOLVED (YES / NO)
5.5.1.1	The CEO submits a quarterly progress report on each investigation conducted by the entity during the year under review as well as a final report detailing the outcomes thereof within 30 days of finalisation thereof	Investigations are handled centrally at the Department and attached is the status of these investigations	In Progress
6.6.1.1	The department to provide the committee with a progress report on the effectiveness of measures put in place to achieve clean audit commencing 30 days after adoption hereof and a quarterly progress report continuing up until the end of the 2015/2016 financial year	The system explained in [5.1.4.1] above is aimed at moving the Entity from an adverse opinion to unqualified and the clean audit will for this year be work in progress.	In Progress
6.5.3.1	The CEO put measures in place to ensure compliance with the national archives and record service of South Africa act (no. 43 of 1996) for record keeping and provide the committee with a progress report within 30 days after adoption hereof and a quarterly progress report continuing up until the end of 2015/2016 financial year	<p>The prime objective of the National Archives of South Africa Act of 1996, is the preservation, retrieval and use of national heritage. g-Fleet works in line with the guidelines of the Act. The update on the staffing and improvement of the records keeping processes is as follows:</p> <p>Staffing: Ms. Amanda Matiwane (Deputy Director) is the leader for archives management. She has appropriate training, a dedicated official with experience in working with archives. Four (4) positions for administration clerks were advertised and are undergoing the interview process.</p> <p>Records in Current Use: The interview of business units, by the records team, to establish current practices is complete. Business units keep only those files that are required for the day to day running of the business. The rest are stored in the facilities building as a temporary home, until the planned renovations of the main facilities are completed.</p> <p>Digitisation: In order to preserve the information and limit wear and tear of hard copies, and enable quick retrieval of information, the scanning of newly archived hard copy records to convert them into digital form has commenced. Starting with records from the 2015/16 financial year and working backwards. This is done using the services of interns deployed at the entity as an interim measure. In future this work will be done by records administration clerks. Digitised records are stored in the server which is backed up to an external site.</p> <p>Old Records: During the last quarter, the entity reviewed the contents of the filed hard copies of its fleet records for completeness and re-filed them for ease of retrieval. They are currently stored in the facilities building pending renovations of the main administrative building which will be their future home.</p> <p>Digitisation of Old Records: For the bulk scanning of all records from prior years, supply chain has been requested to source quotes from service providers in the market. In addition to serve storage, storage media in the form of CDs and DVDs containing digitised records will also be stored in the archives facility.</p>	In Progress

8. Internal Control Unit

The internal audit section from Gauteng Audit Service performed a review on g-FleeT processes. The audit performed indicated that the processes and the related systems of internal control around the entity processes were not adequate and effective. It should be noted that the results improved when compared to the previous year.

9. Audit Committee Report

GAUTENG PROVINCIAL GOVERNMENT (GPG)

Report of the Audit Committee – Cluster 04

Trading Entity: G-FleeT

We are pleased to present our report for the financial year ended 31 March 2015.

Audit Committee and Attendance

The Audit Committee consists of the external Members listed hereunder and is required to meet a minimum of at least two times per annum as per provisions of the Public Finance Management Act (PFMA). In terms of the approved Terms of Reference (GPG Audit Committee Charter), six meetings were held during the current year, i.e. four meetings to consider the Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor-General of South Africa's (AGSA) Audit and Management Reports.

Non-Executive Members

Name of Member	Number of Meetings Attended
Ms. Lorraine Francois	06
Mr. Wayne Poggenpoel	05
Ms. Janice Meissner	05
Ms. Masaccha Mbonambi	01 (Transferred to Cluster 01)

Executive Members

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

Compulsory Attendees	Number of Meetings Attended
Mr. Chikane Chikane (Chief Executive Officer)	06
Ms. Natalie Govender (Chief Financial Officer)	06
Ms. Delicia Kgage (Chief Risk Officer)	05

The Audit Committee noted that the Chief Executive Officer attended all six scheduled Audit Committee meetings. Therefore, the Audit Committee is satisfied that the Department adhered to the provisions of the GPG Audit Committee Charter.

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

Audit Committee Responsibility

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

The effectiveness of internal control and Information and Communication Technology (ICT) Governance

The Audit Committee has observed that the overall control environment of the Department has continued to improve during the year under review. Some deficiencies in the system of internal control and deviations were reported in the Internal Audit Reports.

The Audit Committee also reviewed the progress with respect to the ICT Governance in line with the ICT Framework issued by the Department of Public Services and Administration. The Audit Committee reports its dissatisfaction with minimal progress made with the implementation of the ICT Framework as well as the Disaster Recovery Plan and the Business Continuity Plan. This continued to be a high risk for the Entity.

Implementation of all Audit Committee recommendations were not always timeously implemented.

Internal Audit

The Audit Committee is satisfied that the Internal Audit plan represents a clear alignment with the key risks, has adequate information systems coverage, and a good balance across the different categories of audits, i.e. risk-based, mandatory, performance, computer and follow-up audits.

The Audit Committee has noted considerable improvement in the communication between the Executive Management, the AGSA and the Internal Audit Function, which has strengthened the Corporate Governance initiatives within the Department.

The Audit Committee wishes to stress that in order for the Internal Audit Function to operate at optimal level as expected by the Audit Committee, the shortage in human resources and skills should be addressed.

Risk Management

Progress on the Entity's risk management was reported to the Audit Committee on a quarterly basis. The actual management of identified risks is receiving little attention and there are areas that still require a lot of improvement. Management should take full responsibility for the entire Enterprise Risk Management process and continue to support the Chief Risk Officer to even further enhance the performance of the Department.

Forensic Investigations

Investigations into alleged financial irregularities, financial misconduct and fraud were completed during the year under review. Various measures were recommended, including taking action against the identified officials and this was in the process of finalisation.

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

The Audit Committee is satisfied with the content and quality of financial and non-financial quarterly reports prepared and submitted by the Accounting Officer of the Department during the year under review and confirms that the reports were in compliance with the statutory reporting framework.

Evaluation of Annual Financial Statements

The Audit Committee has:

Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the AGSA and the Accounting Officer;
Reviewed the Audit Report of the AGSA;
Reviewed the AGSA's Management Report and Management's response thereto;
Reviewed the Department's compliance with legal and regulatory provisions; and
Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs with and accepts the AGSA's conclusions 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 AGSA.

One-on-One Meeting with the Accounting Officer

The Audit Committee has met with the CEO for the Entity to address unresolved issues.

One-on-One Meetings with the Executive Authority

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

Auditor-General of South Africa

The Audit Committee has met with the AGSA to ensure that there are no unresolved issues.



Ms. Lorraine Francois

Chairperson of the Audit Committee

Date: 01 August 2015



PART D:

HUMAN RESOURCE MANAGEMENT

1. Introduction

g-Fleet Management had historically operated without an approved human resources strategic plan for some time now. This state of affairs was finally rectified when the HoD and MEC approved the Entity's five year human resources strategic plan. Further the entity was characterised by a high vacancy rate with the number of contract workers exceeding those of permanent workers. This too has been turned around with a total number of fifty nine (59) posts being filled in the year under review. This has resulted in all senior management posts being filled with the exception of the Corporate Services director post, thirty six (36) of these from the internal contract pool, seventeen (17) from candidates sourced externally for the more senior posts i.e. levels nine (9) to fourteen (14) and six (6) being promotions from the current permanent workers. The recruitment process continues to be aggressively pursued. Also there are ongoing consultations with the Gauteng Department of Finance and the Department of Public Service and Administration to implement the MEC signed structure for g-Fleet Management. These processes continue to uplift the morale of the work force some of whom had been on contract for more than ten (10) years.

The push for PMDS compliance by all the entity's employees through holding training workshops on PMDS and continuous engagement with line managers relating to the need for compliance continues to receive special focus. Training and development has also been undertaken and the entity has also engaged with the relevant SETAs and a good number of employees have been enrolled for emerging, middle management and executive development courses. The finance unit also received special focus with assistance from Treasury.

The Entity's wellness programme is run through the Department of Roads and Transport and management continues to encourage and advise employees as to the importance of taking advantage of what the department offers around wellness issues, however the entity has now employed an employee relations and wellness official in the last quarter of the financial year in an effort to pay more focus on g-Fleet specific employee issues in this regard.

With the HR five year strategic plan now in place the entity is now poised for significant improvements in people management practices going forward. To this end g-Fleet has taken tentative steps to introduce competency metrics for the entity beginning with the finance competency matrix as well as to conduct annual employee climate surveys with the aim of improving relations between employees and management and also to help foster a shared culture.

2. Human Resource Oversight Statistics

2.1. Personnel related expenditure

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

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

Table 2.1.1 Personnel expenditure by programme for the period 1 April 2014 and 31 March 2015

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Office of the CEO	2533	2591	-	-	100%	648
Office of the COO	1197	1197	-	-	100%	1197
Office of the CFO	12987	13 534	51	-	100%	322
Corporate Services	11873	13 706	11 873	-	87%	396
Marketing & Communication	8890	8 890	110	-	99%	307
Maintenance Services	10960	10 960	-	-	100%	304
Transport Support Services	7771	7 771	-	-	100%	243
Permanent Service	3858	3 858	-	-	100%	227
VIP/POOL Services	10628	10 628	-	-	100%	273
LSDP Services	8 743	8 743	-	-	100%	230
Total	79 440	80 045	1 994	-	98%	4 147

Table 2.1.2 Personnel costs by salary band for the period 1 April 2014 and 31 March 2015

Salary band	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	13	.02%	2	6
Skilled (level 3-5)	32 398	41%	130	251
Highly skilled production (levels 6-8)	21 066	27%	88	241
Highly skilled supervision (levels 9-12)	18 265	23%	39	468
Senior and Top management (levels 13-16)	7 836	9%	9	877
Total	79 440	100	268	299

Table 2.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2014 and 31 March 2015

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Office of the CEO	1 892	3%	-	0%	34	.01%	22	0%
Office of the COO	877	1%	-	0%		0%		0%
Office of the CFO	11 910	18%	-	0%	580	.21%	136	.2%
Corporate Services	10 394	16%	148	.23%	521	.19%	197	.3%
Marketing & Communication	7 644	12%	-	0%	440	.16%	156	.2%
Maintenance Services	8 290	13%	-	0%	1529	.56%	348	.5%
Transport Support Services	6 292	10%	-	0%	805	.29%	199	.3%
Permanent Service	2 929	5%	-	0%	1 433	.17%	90	.1%
VIP/POOL Services	7 877	12%	805	1.24%	338	.52%	235	.3%
LSDP Services	6 365	10%	-	0%	13	0%	29	.04%
TOTAL	64 470	100%	953	1.5%	5825	2%	1 412	2%

Table 2.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2014 and 31 March 2015

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	11	0%	-	0%		0%		0%
Skilled (level 3-5)	25 602	40%	923	1.42%	2 690	1%	670	1%
Highly skilled production (levels 6-8)	18 223	28%	25	0.1%	1 254	0.5%	508	1%
Highly skilled supervision (levels 9-12)	15 143	23%	5	0%	1 140	0.5%	206	.3%
Senior management (level 13-16)	5 491	9%	953	0%	741	0%	29	0%
Total	64 470	100%	953	1%	5 825	2%	1 412	2%

3. Employment and Vacancies

3.1. The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations

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

Table 3.1.1 Employment and vacancies by programme as on 31 March 2015

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
SMS (13 to 16)	10	9	3%	-
Level 11 to 12	24	16	5%	-
Level 7 to 10	180	58	16%	-
Level 1 to 6	140	103	29%	-
TOTAL	354	186	53%	-

Table 3.1.2 Employment and vacancies by salary band as on 31 March 2015

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	14	2	1%	-
Skilled(3-5)	117	68	19%	-
Highly skilled production (6-8)	157	76	21%	-
Highly skilled supervision (9-12)	56	31	9%	-
Senior management (13-16)	10	9	3%	-
Total	354	186	53%	-

4. Filling of SMS Posts

Table 4.1 SMS post information as on 31 March 2014

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					
Salary Level 16					
Salary Level 15	1	1	100%	-	0%
Salary Level 14	2	2	100%	-	0%
Salary Level 13	7	6	98%	1	2%
TOTAL	10	9	98%	1	2%

Table 4.2 SMS post information as on 31 March 2015

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
Salary Level 16					
Salary Level 15	1	1	100%	-	0%
Salary Level 14	2	2	100%	-	0%
Salary Level 13	7	6	98%	1	2%
TOTAL	10	9	98%	1	2%

5. 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 5.1 Job Evaluation by Salary band for the period 1 April 2014 and 31 March 2015

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)	14	-	-	-	-	-	-
Skilled (Levels 3-5)	117	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	157	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	56	-	-	-	-	-	-
Senior Management Service Band A	10	-	-	-	-	-	-
Senior Management Service Band B	-	-	-	-	-	-	-

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
Senior Management Service Band C	-	-	-	-	-	-	-
Senior Management Service Band D	-	-	-	-	-	-	-
Total	354	-	-	-	-	-	-

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 5.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2014 and 31 March 2015

Gender	African	Asian	Coloured	White	Total
Female	10	-	1	-	-
Male	6	-	-	-	-
Total	16	-	1	-	17
Employees with a disability					

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.

6. Employment Changes

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

Table 6.1 Reasons why staff left the department for the period 1 April 2014 and 31 March 2015

Termination Type	Number	% of Total Resignations
Death	1	9%
Resignation	4	36%
Expiry of contract	-	-
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	-	-
Retirement	5	45%
Transfer to other Public Service Departments	1	10%
Other	-	-
Total	11	100%
Total number of employees who left as a % of total employment	-	5.9%

7. Employment Equity

Table 7.1 Recruitment for the period 1 April 2014 and 31 March 2015

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	3	1	-	-	2	-	-	-	6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	14	1	-	-	16	-	-	1	32
Semi-skilled and discretionary decision making	6	-	-	-	13	-	-	1	20
Unskilled and defined decision making	11	-	-	-	5	-	-	-	16
Total	34	2	-	-	36	-	-	2	74
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 7.2 Promotions for the period 1 April 2014 and 31 March 2015

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

Table 7.3 Skills development for the period 1 April 2014 and 31 March 2015

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	3	-	-	-	2	2	-	-	7
Professionals	4	-	-	-	4	2	2	2	14
Technicians and associate professionals	26	2	1	2	43	1	-	1	76
Clerks	84	3	0	6	59	2	-	8	162
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
Total	117	5	1	8	108	7	2	11	259
Employees with disabilities	2	-	-	1	1	-	-	-	4

8. Signing of Performance Agreements by SMS Members

Table 8.1 Signing of Performance Agreements by SMS members as on 31 May 2014

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	-	-	-	-
Salary Level 16	-	-	-	-
Salary Level 15	1	1	1	100%
Salary Level 14	2	2	2	100%
Salary Level 13	7	6	6	98%
TOTAL	10	9	9	98%

9. Leave utilisation

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

Table 9.1 Capped leave for the period 1 January 2014 to 31 December 2014

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 at 31 March
Lower skilled (Levels 1-2)	-	-	-	-
Skilled Levels (3-5)	-	59	-	3 170
Highly skilled production (Levels 6-8)	-	25	-	1 681
Highly skilled supervision (Levels 9-12)	-	4	-	312
Senior management (Levels 13-16)	-	-	-	-
Total	-	88	-	5 163

10. HIV/AIDS & Health Promotion Programmes

Table 10.1 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.		X	
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		The number of employees who are involved is three (3). Budget still to be confirmed.
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		HIV & AIDS Programmes are in place, Health promotion and health screening are in place. We are to reduce HIV new infections with 20% by 2019.
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	

Question	Yes	No	Details, if yes
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		List of Policies: Legal framework for EHWP management. BCEA 1997 Of 2007 Compensation for Occupational Decease and Injuries Act 1993. Constitution of the RSA 2002. Disaster Management Act (Act No: 57 2002) Employment Equity Act 55 of 1998.
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		To ensure efficient and effective delivery of service in the contxt of HIV & AIDS and TB in the workplace pandemic and its effect on employees at g-FleeT. Develop and Implement an effective HIV & AIDS and TB in the workplace programme that will also provide framework for action.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		The mind sets of the officials have been changed and they are cooperative to all health measures that we have put in place.
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Staff turnover, morality, abseentism, Incapacity cases and staff retention.

11. Labour Relations

Table 11.1 Misconduct and disciplinary hearings finalised for the period 1 April 2014 and 31 March 2015

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	0%
Verbal warning	-	0%
Written warning	-	0%
Final written warning	-	0%
Suspended with pay	2	100%
Fine	-	0%
Demotion	-	0%
Dismissal	-	0%
Not guilty	-	0%
Case withdrawn	-	0%
TOTAL	2	100%

Table 11.2 Precautionary suspensions for the period 1 April 2014 and 31 March 2015

Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	180
Cost (R'000) of suspension	-

12. Skills development

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

Table 12.1 Training needs identified for the period 1 April 2014 and 31 March 2015

Occupational Category	Gender	Number of employees as at 1 April 2014	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	6	-	7	-	7
	Male	3	-	7	-	7
Professionals	Female	10	-	9	-	9
	Male	5	-	9	-	9
Technicians and associate professionals	Female	48	-	24	-	24
	Male	27	-	24	-	24
Clerks	Female	65	-	6	-	6
	Male	103	-	6	-	6
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	-	-
	Male	-	-	-	-	-
Sub Total	Female	129	-	46	-	46
	Male	138	-	46	-	46
Total		267	-	92	-	92

Table 3.11.2 Training provided for the period for the period 1 April 2014 and 31 March 2015

Occupational Category	Gender	Number of employees as at 1 April 2014	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	6	-	5	-	5
	Male	3	-	6	-	6
Professionals	Female	10	-	7	-	7
	Male	5	-	7	-	7
Technicians and associate professionals	Female	48	-	16	-	16
	Male	27	-	16	-	16
Clerks	Female	65	-	5	-	5
	Male	103	-	5	-	5
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	-	-
	Male	-	-	-	-	-
Sub Total	Female	129	-	33	-	33
	Male	138	-	34	-	34
Total		267	-	67	-	67



=====

38992.44

=====

+ 3542.55
+ 1352.14
+ 2100.36
+ 854.94

31142.45

21
2.68
547.20
672.08

=====

30589.68

=====

+
+
+
59.
1312.25
954.36
874.48
+ 689.45

PART E:

FINANCIAL INFORMATION

Administrative Information

Country of incorporation and domicile	Republic of South Africa
Nature of business and principal activities	g-FleeT is a Provincial Trading Entity, which reports to the Accounting Officer of the Gauteng Department of Roads and Transport. The mandate of the Entity is to be the leading provider of fleet management services within Government. We keep Government service delivery on the move
Registered Office	g-FleeT Management Gauteng Department of Roads and Transport Private Bag X 1 Bedfordview 2008
Physical Address	g-FleeT Management 16 Boeing Road East Bedfordview 2008
Bankers	First National Bank Limited
Auditors	Auditor-General of South Africa
Chief Executive Officer	Mr. Chikane Chikane
Chief Financial Officer	Ms. Natalie Govender CA (SA)
Chief Operations Officer	Mr. Victor Mhangwana (Appointed 01 April 2014)
Telephone No.	+ 27 11 372-8600
Facsimile No.	+ 86 514 0744
Website Address	www.gfleet.gov.za



Contents

REPORT OF THE AUDITOR-GENERAL	322
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015	327
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2015	328
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2015	329
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015	330
NOTES TO THE ANNUAL FINANCIAL STATEMENTS	331

Report of the auditor-general to the Gauteng Provincial Legislature on g-FleeT Management

Report on the financial statements

Introduction

1. I was engaged to audit the financial statement of the g-FleeT Management set out on pages 327 to 381, which comprise the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with the International Standards on Auditing. Because of the matters described in the basis for disclaimer of opinion paragraphs, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

Revenue from leases

4. I was unable to obtain sufficient appropriate audit evidence for revenue from leases due to the status of the accounting records and an inadequate system to record transactions and events. Furthermore as described in note 38 to the financial statements a restatement was made to rectify the previous year's misstatement, but the restatement could not be substantiated by supporting audit evidence. I was unable to confirm revenue from leases by alternative means. Consequently, I was unable to determine whether any adjustment to revenue from leases of R734 933 000 (2014: R667 046 000) in the financial statements was necessary.

Trade and other receivables from exchange transactions

5. I was unable to obtain sufficient appropriate audit evidence for trade and other receivables from exchange transactions due to the status of the accounting records and an inadequate system to record transactions and events. Furthermore as described in note 38 to the financial statements a restatement was made to rectify the previous year's misstatement, but the restatement could not be substantiated by supporting audit evidence. I was unable to confirm trade and other receivables by alternative means. Consequently, I was unable to determine whether any adjustment to trade and other receivables from exchange transactions of R240 920 000 (2014: R193 118 000) in the financial statements was necessary.

6. I was unable to obtain sufficient appropriate audit evidence for the provision for impairment of trade and other receivables due to the status of the accounting records and an inadequate system to record transactions and events. I was unable to verify the provision for impairment of trade and other receivables by alternative means. Consequently, I was unable to determine whether any adjustment to the provision for impairment of trade and other receivables of R123 127 000 (2014: R59 983 000) as disclosed in note 5 to the financial statements in the financial statements was necessary.

Property, plant and equipment

7. I was unable to obtain sufficient appropriate audit evidence for motor vehicles included in property, plant and equipment due to the status of the accounting records and an inadequate system to record transactions and events. I was unable to obtain sufficient appropriate audit evidence that the entity recognised property, plant and equipment that met the definition of an asset in accordance with GRAP 1, *Presentation of financial statements*. Furthermore as described in note 38 to the financial statements a restatement was made to rectify the previous year's misstatement, but the restatement could not be substantiated by supporting audit evidence. Consequently, I was unable to determine whether any adjustments to property, plant and equipment of R930 148 000 (2014: R887 578 000) and the related depreciation of R105 839 000 (2014: R87 953 000) as disclosed in note 9 to the financial statements were necessary.

Cash flow statement

8. Taking into consideration the impact of the limitations placed on the scope of the audit, I am unable to quantify the impact of these limitations on the cash flow statement and notes thereto. I was unable to confirm the cash flow statement by alternative means. Consequently, I was unable to determine whether any adjustments relating to the cash flow statement and notes thereto were necessary.

Disclaimer of opinion

9. Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on these financial statements.

Emphasis of matters

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

Significant uncertainties

11. With reference to note 29 to the financial statements, the trading entity is the defendant in various lawsuits. The ultimate outcome of the matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

12. As disclosed in note 38 to the financial statements, the corresponding figures for 31 March 2014 have been restated as a result of errors discovered in the financial statements of g-FleeT Management for the year ended 31 March 2015.

Report on other legal and regulatory requirements

13. 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 findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

14. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the trading entity for the year ended 31 March 2015:
 - Programme 1: Client Management Services, Page 275 to 276
 - Programme 2: Operational Management Services, Page 276 to 282
15. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
16. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPPI).
17. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. The material findings in respect of the selected programmes are as follows:

Programme 2: Operational Management Services

Usefulness of reported performance information

19. Performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPPI. A total of 43% of the indicators were not well defined.
20. The FMPPPI requires indicators to relate logically and directly to an aspect of the auditee's mandate and the realisation of strategic goals and objectives. A total of 28.6% of the indicators did not relate logically and directly to an aspect of the auditee's mandate and the realisation of strategic goals and objectives as per the three-year strategic plan. This was because proper performance planning and management practices had not been developed and/or implemented to provide for the development of performance indicators and targets included in the annual performance plan.

Reliability of reported performance information

21. The FMPPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Adequate and reliable corroborating evidence could not be provided for 28.6% of the targets to assess the reliability of the reported performance information. The auditee's records did not permit the application of alternative audit procedures.
22. I did not identify any material findings on the usefulness and reliability of the reported performance information for programme 1: Client Management Services.

Additional matter

23. I draw attention to the following matter:

Achievement of planned targets

24. Refer to the annual performance report on pages 275 to 287 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected programmes reported in paragraphs 19 to 21 of this report.

Compliance with legislation

25. I performed procedures to obtain evidence that the trading entity had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Annual financial statements

26. The financial statements submitted for auditing were not prepared in accordance with the prescribed framework and supported by full and proper records, as required by section 40(1)(a) and (b) of the PFMA. Material misstatements of revenue, assets and a disclosure item identified by the auditors in the submitted financial statements were subsequently corrected, but the supporting records that could not be provided resulted in the financial statements receiving a disclaimer of opinion.

Expenditure management

27. Effective steps were not taken to prevent irregular and fruitless and wasteful expenditure as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.
28. Contractual obligations and money owed by the g-Fleet Management were not always settled within 30 days, as required by section 38(1)(f) of the PFMA and treasury regulation 8.2.3.

Revenue management

29. Appropriate processes were not developed and implemented to provide for the identification, collection, recording, reconciliation and safeguarding of information about revenue, as required by treasury regulation 7.2.1.

Procurement and contract management

30. Sufficient appropriate audit evidence could not be obtained that all contracts were awarded in accordance with the legislative requirements as management failed to submit the required contracts timeously for audit purposes.

Internal control

31. I considered internal control relevant to my audit of the financial statements, the performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for disclaimer of opinion, the findings on the annual performance report and the findings on non-compliance with legislation included in this report.

Leadership

32. Effective leadership based on a culture of good governance was not provided by the accounting officer and the chief executive officer as the financial statements submitted for audit were not supported by adequate systems of internal control.
33. The accounting officer and chief executive officer failed to hold individuals accountable for their internal control responsibilities and did not ensure that performance was monitored appropriately.
34. There was a lack of effective oversight by the chief executive officer regarding financial and performance reporting and instances of non-compliance with certain laws and regulations.
35. Consultants were appointed late in the process and, consequently, were not used effectively.
36. The action plan that was developed to address external audit findings was not implemented effectively.

Financial and performance management

37. There was improper record keeping of supporting schedules, which resulted in complete, relevant and accurate information not being accessible and available to support the financial reporting.
38. Controls over the daily and monthly processing and reconciling of transactions were not implemented effectively by the chief financial officer.
39. Management responsible for the reporting of pre-determined objectives did not have effective controls in place to ensure that performance reports were useful and supported by complete, relevant and accurate information.
40. The information technology systems were not adequately designed and formal controls were not implemented to ensure reliability of the systems and the availability, accuracy and protection of information.

Other reports

Investigations

41. Ten cases of stolen vehicles were identified and reported to the anti-fraud and corruption unit for investigation. Ten of these investigations were on-going at the reporting date.

Auditor General

Johannesburg

31 July 2015



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

Statement of Financial Position as at 31 March 2015

	Notes	2015 R '000	Restated 2014 R '000
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	303,140	290,870
Trade and Other Receivables from Exchange Transactions	5	240,920	193,118
Other Receivables from Non-Exchange Transactions	6	3,186	10,364
Prepayments	7	581	-
Inventory	8	37,829	13,040
		585,656	507,392
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,076,743	1,028,380
Intangible Assets	10	123	39
Other Non-Current Assets	12	91	91
		1,076,957	1,028,510
Non-Current Assets		1,076,957	1,028,510
Current Assets		585,656	507,392
Total Assets		1,662,613	1,535,902
LIABILITIES			
Current Liabilities			
Finance Lease Obligation	13	3,395	1,373
Payables from Exchange Transactions	14	39,095	79,234
		42,490	80,607
NON-CURRENT LIABILITIES			
Finance Lease Obligation	13	15,981	20,588
Non-Current Liabilities		15,981	20,588
Current Liabilities		42,490	80,607
Total Liabilities		58,471	101,195
Assets		1,662,613	1,535,902
Liabilities		(58,471)	(101,195)
Net Assets		1,604,142	1,434,707
Accumulated Surplus		1,604,142	1,434,707

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

Statement of Financial Performance for the year ended 31 March 2015

	Notes	2015 R '000	Restated 2014 R '000
Revenue from exchange transactions			
Sale of goods (auction of vehicles)		51,736	42,157
Revenue from leases	15	734,933	667,046
Realisation of property lease liability	16	1,200	1,200
Interest income	17	9,636	3,013
Total revenue from exchange transactions		797,505	713,416
Revenue from non-exchange transactions			
Revenue from unconditional grants	18	11,279	11,920
Other income		182	-
Total revenue from non-exchange transactions		11,461	11,920
		797,505	713,416
		11,461	11,920
Total Revenue		808,966	725,336
Expenditure			
Employee related costs	19	(79,440)	(67,162)
Depreciation and amortisation	20	(111,791)	(91,121)
Impairment loss/ Reversal of impairments		(5,271)	-
Finance costs	21	(4,638)	(4,240)
Impairment of receivables	22	(65,171)	(27,556)
Repairs and maintenance		(94,245)	(110,189)
Cost of sales (auction of vehicles)		(67,669)	(59,348)
Operating expenses	23	(212,450)	(246,587)
Total Expenditure		(640,675)	(606,203)
Total revenue		808,966	725,336
Total expenditure		(640,675)	(606,203)
Operating Surplus		168,291	119,133
Loss on disposal of assets and liabilities	25	(565)	(11,554)
Fair value adjustments	24	-	(11,890)
Fair value adjustments on receivables and payables		1,709	-
		1,144	(23,444)
Surplus for the year		169,435	95,689

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

Statement of Changes in Net Assets for the year ended 31 March 2015

		Accumulated Surplus	Total Net Assets
	Note	R '000	R '000
Opening balance as previously reported		1,303,822	1,303,822
Prior year adjustments		35,196	35,196
Balance at 01 April 2013 restated	38.12	1,339,018	1,339,018
Surplus for the year restated	38.13	95,689	95,689
Balance at 01 April 2014		1,434,707	1,434,707
Surplus for the year		169,435	169,435
Balance at 31 March 2015		1,604,142	1,604,142

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

Cash Flow Statement for the year ended 31 March 2015

	Notes	2015 R '000	Restated 2014 R '000
Cash flows from operating activities			
Receipts			
Revenue from leases		654,251	678,598
Sale of goods (auction of vehicles)		52,233	43,418
Interest income		9,636	-
		716,120	722,016
Payments			
Employee costs		(78,640)	(68,941)
Operating expenditure and repairs and maintenance		(376,268)	(363,511)
		(454,908)	(432,452)
Total receipts		716,120	722,016
Total payments		(454,908)	(432,452)
Net cash flows from operating activities	27	261,212	289,564
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(243,016)	(284,953)
Proceeds from sale of property, plant and equipment		1,407	5,240
Purchase of other intangible assets	10	(110)	-
Net cash flows from investing activities		(241,719)	(279,713)
Cash flows from financing activities			
Finance lease payments		(2,585)	-
Finance costs paid		(4,638)	(4,280)
Net cash flows from financing activities		(7,223)	(4,280)
Net increase in cash and cash equivalents		12,270	5,571
Cash and cash equivalents at the beginning of the year		290,870	285,299
Cash and cash equivalents at the end of the year	4	303,140	290,870

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

Notes to the Annual Financial Statements

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Public Finance Management Act (PFMA) Act No.1 of 1999 as amended.

These Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

A summary of the 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 period.

1.1. Presentation currency

These annual financial statements are presented in South African Rand, as that is the currency in which the Entity's transactions are denominated.

1.2. Going concern assumption

These annual financial statements have been prepared based on the expectation that the Entity will continue to operate as a going concern for at least the next 12 months.

1.3. Offsetting

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

1.4. Changes in the accounting policy and comparability

Changes in the accounting policy and comparability.

Accounting policies have been consistently applied, except where otherwise indicated below:

For the period commencing 1 April 2014 the Entity has adopted the accounting framework as set out in point 1 above. The details of any resulting changes in accounting policy and comparative restatements are set out below.

The Entity changes an accounting policy only in the following instances:

- (a) is required by a Standard of GRAP; or
- (b) results in the financial statements providing more relevant information about the effects of transactions, other events or conditions on the entity's statement of financial position, financial performance, cash flow, changes in net assets, notes and accounting policies.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

1.5. Critical judgements, estimations and assumptions

In the application of the Entity's accounting policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Useful lives and residual values of property, plant and equipment (PPE)

In assessing the remaining useful lives and residual values of PPE, management have made judgements based on historical evidence as well as the current condition of PPE under its control.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial assets and liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Entity for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the recoverable amount assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The Entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including trade values and retail values, together with economic factors such as interest rates.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

Impairment of property, plant and equipment, intangible assets and inventory

The accounting policies on PPE, on intangible assets and on Inventory describe the conditions under which non-financial assets are tested for potential impairment losses by the management of the Entity. Significant estimates and judgements are made relating to PPE impairment testing, Intangible Assets impairment testing and write down of Inventories to the lowest of cost and net realisable values.

Impairment of financial assets

The accounting policy on Impairment of Financial Assets describes the process followed to determine the value by which Financial Assets should be impaired. In making the estimation of the impairment, the management of the Entity considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments and existing at the end of the reporting period. The management of the Entity is satisfied that the impairment of financial assets recorded during the year is appropriate.

Revenue recognition

The accounting policy on Revenue from Exchange Transactions and on Revenue from Non-Exchange Transactions describes the conditions under which revenue will be recorded by the management of the Entity.

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. The management of the Entity is satisfied that recognition of the revenue in the current year is appropriate.

Financial assets and liabilities

The classification of Financial Assets and Liabilities, into categories, is based on judgement by management. Accounting policy on financial instruments describes the factors and criteria considered by the management of the Entity in the classification of financial assets and liabilities.

In making the above-mentioned judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in GRAP 104: Financial Instruments.

Provisions and Contingencies

Contingent liabilities

Claims are instituted against the Entity by third parties who are party to a motor vehicle accident involving a government vehicle. The existence of this obligation will only be acknowledged by the future payment of these claims.

Provision for performance bonus

The entity makes provision for performance bonuses at 1.5% of the total employee compensation as per the requirement of the Performance Management and Development System.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

Impairment of trade and other receivables

The Entity makes provision for doubtful debts relating to all long outstanding debts from the related party transactions. In determining whether trade and other receivables are impaired the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

1.6. Property, plant and equipment Initial recognition

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others or for administrative purposes, and are expected to be used for more than one year.

The cost of 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 Entity, and if the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially recognised at its historical cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Entity.

Where an asset is acquired by the Entity for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Subsequent measurement

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the Entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the Entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. The cost model is used for subsequent measurement.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

Depreciation

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the Entity. 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.

Depreciation only commences when the asset is available for use, unless stated otherwise.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

Plant and equipment are originally measured at cost and are depreciated on the straight-line basis and is considered appropriate to reduce the carrying amount over the expected lifespan of the assets. The residual value, useful life and depreciation method for each asset are reviewed at the end of each reporting period. Reviewing the useful life of an asset on an annual basis does not require the Entity to amend the previous estimate unless expectations differ from the previous estimate.

A change in useful life will be accounted for as a change in accounting estimate, thus the depreciation for the current and future periods will be restated.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Furniture and Office Equipment	5 - 25 years
Leased assets	Over the period of the lease
Motor Vehicles	
• Motor vehicles - passenger	5 years
• Motor vehicles - commercial	7 - 10 years
Computer Equipment	3 - 6 years
Leasehold Improvements	20 - 30 years

Assets capitalised under finance leases are depreciated over their expected useful lives on the same basis as property, plant and equipment controlled by the Entity or where shorter, the term of the relevant lease if there is no reasonable certainty that the Entity will obtain ownership by the end of the lease term.

Derecognition of property, plant and equipment

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal. The gains or losses arising from derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised.

Gains or losses are calculated as the difference between the carrying value of assets (cost less accumulated depreciation and accumulated impairment losses) and the disposal proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of property, plant and equipment.

1.7. Intangible Assets

Initial recognition

Identifiable non-monetary assets without physical substance are classified and recognised as intangible assets. The entity recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Entity and the cost or fair value of the asset can be measured reliably.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

Intangible assets are initially recognised at cost. The cost of an intangible asset is the purchase price and other costs attributable to bring the intangible asset to the location and condition necessary for it to be capable of operating in the manner intended by the Entity, or where an intangible asset is acquired at no cost, or for a nominal cost, the cost shall be its fair value as at the date of acquisition. Trade discounts and rebates are deducted in arriving at the cost. Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

Subsequent Measurement, Amortisation and Impairment

Intangible assets are shown at cost less accumulated amortisation and impairment losses. Expenditure on the intangible assets are capitalised by the Entity and amortised using the straight line basis over their useful lives. Expenditure on an intangible item that was initially recognised as an expense shall not be recognised as part of the cost of an intangible asset at a later date.

In terms of GRAP 31, intangible assets are distinguished between internally generated intangible assets and other intangible assets. Amortisation is charged on a straight-line basis over the intangible assets' useful lives (when the intangible asset is available for use), which are estimated to be between 9 to 15 years. The residual value of assets with finite useful lives is zero, unless an active market exists. Intangible assets are subject to an annual impairment test.

The estimated useful life, residual values and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively as a change in accounting estimate in the Statement of Financial Performance.

Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the net disposals proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.8. Financial instruments

Classification

The Entity has various types of financial instruments and these can be broadly categorised as either Financial Assets or Financial Liabilities.

Financial Assets

In accordance with GRAP 104 the Financial Assets of the Entity are classified into the following categories allowed by this standard:

Financial Assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

Financial Assets at amortised cost are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. After initial recognition Financial Assets are measured at amortised cost, using the effective interest rate method less a provision for impairment.

A Financial Asset is any asset that is a cash or contractual right to receive cash. The Entity has the following types of Financial Assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Finance lease receivables;
- Trade and other receivables from exchange transactions; and
- Cash and cash equivalents.

In accordance with GRAP 104 the Financial Assets of the Entity are classified as follows into the following category allowed by this standard:

Type of Financial Asset	Classification in terms of GRAP 104
Finance Lease Receivables	Financial Assets at Amortised Cost
Cash and Cash Equivalents	Financial Assets designated at fair value
Trade and Other Receivables from Exchange Transactions	Financial Assets at Amortised Cost

Financial Liabilities

A Financial Liability is a contractual obligation to deliver cash or another financial asset to another Entity. The Entity has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Finance Lease Payables; and
- Trade and Other Payables;

Type of Financial Liabilities	Classification in terms of GRAP 104
Finance Lease Payables	Financial Liability at Amortised Cost
Trade and Other Payables from Exchange Contracts	Financial Liability at Amortised Cost

Financial assets and financial liabilities are recognised on the Entity's Statement of Financial Position when the Entity becomes party to the contractual provisions of the instrument.

The Entity does not offset a Financial Asset and a Financial Liability unless a legally enforceable right to set off the recognised amounts currently exist; and the Entity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Asset at amortised cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. Subsequently, these assets are measured at amortised cost using the effective less any impairment, with interest recognised on an effective yield basis.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

Measurement

When a Financial Asset or Financial Liability is recognised initially, it is measured at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Receivables are subsequently measured at amortised cost. The subsequent measurement of cash and cash equivalents is at fair value.

Cash and cash equivalents

Cash and cash equivalents consist of cash in the bank as well as cash on hand. For the purposes of the cash flow statement, cash and cash equivalents comprise of cash on hand.

Receivables from exchange transactions

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 180 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Payables from exchange transactions

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial Liabilities are derecognised when, and only when, the Entity's obligations are discharged, cancelled or they expire.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial Assets are impaired where there is objective evidence of impairment of Financial Assets. If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with GRAP 104.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

Trade receivable is stated at cost less a provision for bad debts. The provision is made in accordance with GRAP 104 whereby the recoverability of consumer debtors is assessed collectively after grouping the assets in financial assets with similar credit risks characteristics.

1.9. Leases

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Lessee.

Leases of property, plant and equipment, in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases.

Finance leases - Entity as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of Entity's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on Entity's net investment outstanding in respect of the leases.

The Entity estimates the unguaranteed residual value of the leased vehicle based on managements estimation of the value of the leased vehicle at the end of the lease term.

Subsequent measurement

At the end of the lease term, the Entity recognises the unguaranteed residual value of the leased vehicle as part of Property Plant and Equipment. If at the end of the lease term the lessee is still in possession of the leased vehicle, the lease is then accounted for as month to month contract. The revenue is recognised as the vehicle is used by the lessee. The revenue earned is reported as a surplus.

Selling gains or losses

The Entity recognises gains or losses arising from the sale in terms of the finance lease at inception of the lease. The gain or loss is determined by the difference between the net investment in the lease and the fair value of the vehicle. The gain or loss is included in surplus or deficit.

Finance leases - Entity as lessee

Where the entity enters into a finance lease, property, plant and equipment or intangible assets subject to finance lease agreements are capitalised 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. Corresponding liabilities are included in the statement of financial position as finance lease liabilities. The corresponding liabilities are initially recognised at the commencement date of the lease and are measured at the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the entity uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or Intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The Entity does not include lease rental escalation clauses in the agreements.

Revenue for operating leases is disclosed under revenue from exchange transactions in statement of financial performance. Costs, including depreciation, incurred in earning the lease revenue are recognised as an expense. Lease revenue (excluding fleet management services provided to the lessee) is recognised on a straight-line basis. Revenue related to fleet management services is recognised as the service is rendered.

Subsequent measurement

If the lessee is still in the possession of the leased vehicle at the end of the lease term, the lease is then accounted for as month to month contract. The revenue is recognised as the vehicle is used by the lessee. The revenue earned is reported as a surplus.

Operating leases - Entity as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.10. Inventory Initial recognition

Inventory comprises current assets held for sale. An Entity that in the course of its ordinary activities sells items of property, plant and equipment that it has held for rental to others shall transfer such assets to inventory at their carrying amount when they cease to be rented and become held for sale. The proceeds from the sale of such assets shall be recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.11. Events after reporting dates

The Entity considers events that occur after the reporting date for inclusion in the financial statements. Events that occur between the reporting date (31 March 2015) and the date on which the financial statements were authorised for issue are considered for inclusion in the financial statements.

The Entity considers two types of events that can occur after the reporting date, namely those that:

- (a) provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date), and
- (b) were indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

All adjusting events are taken into account in the financial statements as the necessary adjustments are made to the financial statements. Where non-adjusting events after the reporting date are of such importance that non-disclosure would affect the ability of the users of the financial statements to make proper evaluations and decisions, the Entity discloses the following information for each significant category of non-adjusting event after the reporting date:

- (a) The nature of the event.
- (b) An estimate of its financial effect or a statement that such an estimate cannot be made.

1.12. Impairment of cash-generating assets

Cash-generating assets are those assets held by the entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use. Useful life is either:

- (i) the period of time over which an asset is expected to be used by the Entity; or
- (j) the number of production or similar units expected to be obtained from the asset by the Entity.

Criteria developed by the entity to distinguish cash-generating assets from non-cash-generating assets are as follow:

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

1.13. Changes in accounting policies, estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period specific effects or the cumulative effect of the change in policy. In such cases the entity shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 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 entity shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

1.14. Commitments

Commitments are not recognised in the Statement of Financial Position as a liability but are included in the disclosure notes. Commitments are disclosed for:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date;
- Items are classified as commitments where the entity commits itself to future transactions that will normally result in the outflow of resources; and
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure notes to the financial statements.

1.15. Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Multi-employer plans and/or State plans and/or Composite social security programmes

The Entity classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).

Where a plan is a defined contribution plan, the entity accounts for in the same way as for any other defined contribution plan. Where a plan is a defined benefit plan, the entity account for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as for any other defined benefit plan.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

When sufficient information is not available to use defined benefit accounting for a plan, that is a defined benefit plan, the entity accounts for the plan as if it was a defined contribution plan.

1.16. Provisions

Provisions are recognised when the Entity has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably. Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

1.17. Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Entity's activities. Revenue is shown net of returns, rebates and discounts.

The Entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Entity and when specific criteria have been met for each of the Entity's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the revenue have been resolved. The Entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from exchange transactions refers to revenue that accrued to the Entity directly in return for services rendered and/or for goods sold, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where the Entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from exchange transactions

Revenue is derived from a variety of sources which include daily and kilometre tariffs, interest earned on finance lease receivables, bank accounts and accounts receivable; grants received, profit on sale of goods and reimbursive income. Revenue is recognised when it is probable that future economic benefits or service potential will flow to the Entity and these benefits can be measured reliably, except when specifically stated otherwise.

Sale of Goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

Daily and Kilometre Tariffs

Revenue arising from the rendering of services, as well as related expenses, is recognised according to the stage of completion of the transaction at the reporting date. Revenue from daily tariffs are calculated and charged against user departments over the estimated useful life cycle of vehicles to enable the entity to replace the vehicle at the end of its life cycle and to cover entity overheads. Revenue is also charged against user departments for all kilometres covered in entity vehicles according to a tariff per classification code of the vehicle to cover the maintenance and running costs of the fleet.

Transport service to government employees

The Entity is receiving other income from providing transport services to government employees from other Government Departments impacted by the relocation of Provincial Governments from Pretoria to Johannesburg after the 1994 elections.

Interest

Revenue arising from the use by others of the Entity's assets yielding interest or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the Entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.18. Revenue from non-exchange transactions

An inflow of resources from a non-exchange transaction, that meets the definition of an asset shall be recognised as an asset when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably. The asset shall be recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

The entity classifies vehicles with expired lease contracts in terms of GRAP 13 that are returned for further usage as donated assets and are disclosed as part of non-exchange transactions.

Other grants and donations

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.19. Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

Prior year comparatives

When the presentation or classification of items in the financial statements is amended, prior period comparative amounts are reclassified. The nature and reasons for the reclassification are disclosed.

1.20. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that 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.

1.21. Irregular expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation, including:

- The PFMA or
- Any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as an expense in the Statement of Financial Performance in the period it occurred and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance. Irregular expenditure is recorded in the notes to the Financial Statements when confirmed. The amount recorded is equal to the total value of the irregularity unless it is impracticable to determine in which case reasons therefore is provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority or transferred to receivables for recovery.

1.22. Related parties

The entity has processes and controls in place to aid in the identification of related parties. A related party is a person 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. Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

Where transactions occurred between the entity any one or more related parties, and those transactions were not within:

- normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances; and
-
- terms and conditions within the normal operating parameters established by the reporting entity's legal mandate; further details about those transactions are disclosed in the notes to the financial statements.

Information about such transactions is disclosed in the financial statements.

1.23. Contingent assets and liabilities

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

A contingent liability is defined as 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 wholly within the control of the entity, or a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or
- the amount of the obligation cannot be measured with sufficient reliability.

The Entity discloses for each class of contingent liability at the reporting date a brief description of the nature of the contingent liability and, where practicable:

- an estimate of its financial effect;
- an indication of the uncertainties relating to the amount or timing of any outflow, and
- the possibility of any reimbursement.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

2. Changes in Accounting Policy

Vehicles available for sale to be accounted for in terms of GRAP 12

During the financial reporting period, the Entity changed its accounting policy on vehicles held for sale, from non current assets held for sale to inventory.

The effect of this change is that the Entity will recognise in the Statement of Financial Performance, revenue from the sale of goods, which is disclosed as revenue from exchange transactions and a corresponding cost of goods sold as part of the expenditure incurred for the year.

The Entity will no longer account for a gain / loss on the sale of vehicles that have been determined to be inventory. Further to this, the Entity will assess the net realisable value of vehicles classified as inventory on an annual basis to ensure that inventory is fairly valued at year end.

The aggregate effect of the changes in the accounting policy on the Annual Financial Statements for the year ended 31 March 2014 is as follows:

Statement of Financial Position

	2015	Restated
	R'000	2014 R'000
Non current assets held for sale previously reported	-	29,788
Adjustment	-	(29,788)
Non current assets held for sale restated 31 March 2014	-	-
Inventory previously reported	-	-
Adjustment	-	13,040
Inventory restated 31 March 2014	-	13,040

Statement of Financial Performance

Loss on sale of assets previously reported	-	16,412
Adjustment	-	(4,858)
Loss on sale of assets restated 31 March 2014	-	11,554
Revenue from sale from goods previously reported	-	-
Adjustment	-	42,157
Revenue from sale of goods restated 31 March 2014	-	42,157
Cost of sale of goods previously reported	-	-
Adjustment	-	(59,348)
Cost of sale of goods restated 31 March 2014	-	(59,348)

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

3. New Standards and Interpretations

3.1. Standards and interpretations effective and adopted in the current year

In the current year, the following standards and interpretations have become effective and the following is the impact on the Entity's operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 105: Transfers of functions between entities under common control	01 April 2014	Not applicable to this entity
• GRAP 106: Transfers of functions between entities not under common control	01 April 2014	Not applicable to this entity
• GRAP 107: Mergers	01 April 2014	Not applicable to this entity
• IGRAP 11: Consolidation – Special purpose entities	01 April 2014	Not applicable to this entity
• IGRAP 12: Jointly controlled entities – Non-monetary contributions by ventures	01 April 2014	Not applicable to this entity
• GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements	01 April 2014	Not applicable to this entity
• GRAP 7 (as revised 2010): Investments in Associates	01 April 2014	Not applicable to this entity
• GRAP 8 (as revised 2010): Interests in Joint Ventures	01 April 2014	Not applicable to this entity

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015	Restated
	R '000	2014
		R '000

4. Cash and Cash Equivalents

Cash and cash equivalents consist of:

Cash on hand	7	5
Paymaster General Account	303,133	290,865
	303,140	290,870

Cash and cash equivalents comprise cash on hand and bank deposits held that is highly liquid and is held with registered banking institutions. The Entity's account is held with First National Bank Limited. The carrying amount of these assets is shown at fair value.

4.1 Primary Bank Account

First National Bank

Bank statement balance at the beginning of the year	290,865	285,293
Bank statement balance at the end of the year	303,133	290,865

4.2 Cash-on-hand

Petty Cash

Balance at the beginning of the year	7	5
--------------------------------------	---	---

g-FleeT does not have credit facilities with its banker and therefore does not incur interest on any overdrawn account.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

5. Trade and Other Receivables from Exchange Transactions

Trade and other receivables past due but not impaired

The ageing of amounts past due but not impaired is as follows:

Trade receivables	227,997	188,442
Trade receivable accrual - gap kilometres	14,642	8,091
Other receivables - Sale of goods (auction of vehicles)	1,298	389
Less: Fair valuation of receivables	(3,017)	(3,804)
Total	240,920	193,118

Balance as at 31 March 2015:

	Gross Balance	Receivables provision	Net balance
Trade Receivables	343,033	(115,036)	227,997
Trade receivables accrual- gap kilometres	22,733	(8,091)	14,642
Other receivables - Sale of goods (auction of vehicles)	1,298	-	1,298
Fair valuation of receivables	(3,017)	-	(3,017)
	364,047	(123,127)	240,920

Balance as at 31 March 2014:

	Gross Balance	Receivables Provision	Net Balance
Trade Receivables	248,425	(59,983)	188,442
Trade receivables accrual- gap kilometres	8,091	-	8,091
Other receivables - Sale of goods (auction of vehicles)	389	-	389
Less: Fair valuation of receivables	(3,804)	-	(3,804)
	253,101	(59,983)	193,118

g-FleeT's fundamental objective (and mandate) is focused toward servicing all Government Departments within South Africa. As a result all receivables are due from Provincial and National Departments, including Public Entities and Municipalities respectively.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
--	----------------	----------------------------

Trade and other receivables past due but not impaired

The ageing of amounts past due but not impaired are as follows:

Less than 30 days	51,685	66,421
31 to 60 days	33,667	95,393
61 to 90 days	24,658	21,182
91 to 120 days	40,825	5,446
Greater than 120 days	77,162	-
	227,997	188,442

Trade and other receivables impaired

As of 31 March 2015, trade and other receivables of R 123,127 (2014: R59 983) were impaired and provided for.

The ageing of trade and other receivables impaired is as follows:

Over 6 months	-	39,122
More than 9 months past due	123,127	20,861
	123,127	59,983

Reconciliation of provision for impairment of trade and other receivables from exchange transactions

Balance at beginning of the year	59,983	33,323
Increase / (Decrease) due to change in estimate	63,144	26,660
Closing Balance at year end	123,127	59,983

Receivables by customer classification 2015

	National Government	Provincial Government	Grand Total
Current (0 - 30 Days)	20,352	31,333	51,685
31 - 60 Days	25,293	8,374	33,667
61 - 90 Days	4,040	20,616	24,656
91 - 120 Days	5,188	35,639	40,827
121 - 365 Days	36,615	155,584	192,199
Subtotal	91,488	251,546	343,034
Less: Provision for doubtful debts	(20,533)	(94,504)	(115,037)
Total	70,955	157,042	227,997

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015	Restated 2014
	R '000	R '000

Receivables by customer classification 2014

	National Government	Provincial Government	Grand Total
Current (0 - 30 Days)	33,763	32,658	66,421
31 - 60 Days	37,416	57,977	95,393
61 - 90 Days	15,752	15,935	31,687
91 - 120 Days	7,487	11,793	19,280
121 - 365 Days	13,486	22,158	35,644
Subtotal	107,904	140,521	248,425
Less: Provision for doubtful debts	(26,393)	(33,590)	(59,983)
Total	81,511	106,931	188,442

Credit quality of trade and other receivables from exchange transactions

Further quantities disclosure of the Entity's exposure to each of the above risks, at the reporting date, have been disclosed in Note No. 33 below. The Entity determines the credit quality of its trade and other receivables from exchange transactions.

The amounts that are being disputed by the User Departments have also been included in the impairment provision.

6. Other Receivables from Non-Exchange Transactions

Other Receivables		3,186	10,364
	Gross Balance	Provision Estimate	Net Balance
Balance As At 31 March 2015:			
Other Receivables	5,213	(2,027)	3,186
	5,213	(2,027)	3,186
Balance as at 31 March 2014:			
Other Receivables	10,364	-	10,364
	10,364	-	10,364

Other receivables comprise of traffic fines and accident claims paid by the Entity on behalf of its client Departments.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
Increase due to change in estimate	2,027	-
	2,027	-

7. Prepayments

Prepayments - Vehicle Licenses	581	-
--------------------------------	-----	---

8. Inventory

Vehicles held for sale	44,294	18,235
Inventories (write-downs)	(6,465)	(5,195)
Total	37,829	13,040
Inventory reconciliation		
Carrying amount at the beginning of year	13,040	18,840
Transferred from property, plant and equipment	93,824	58,936
Disposals	(67,669)	(59,348)
Transferred to property, plant and equipment	(92)	(193)
Transferred to clients	(4)	-
Movement in write off for the year	(1,270)	(5,195)
Carrying amount at end of year	37,829	13,040

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

9. Property, Plant and Equipment

	2015			2014		
	Cost Valuation	Accumulated Depreciation and Impairment	Carrying Value	Cost Valuation	Accumulated Depreciation and Impairment	Carrying Value
Machinery and Tools	93	(56)	37	56	(56)	-
Furniture and Fixtures	10,530	(2,525)	8,005	9,790	(1,862)	7,928
Motor Vehicles	1,282,687	(352,539)	930,148	1,236,508	(348,930)	887,578
Leased Property	14,646	(1,331)	13,315	14,646	(1,184)	13,462
Leased Machinery and Cellphones	8,754	(5,331)	3,423	8,475	(2,728)	5,747
Leasehold Improvements	62,010	(3,430)	58,580	42,856	(922)	41,934
Guard Houses	130	(13)	117	130	(9)	121
Assets Under Construction - WIP	68,389	(5,271)	63,118	71,610	-	71,610
Total	1,447,239	(370,496)	1,076,743	1,384,071	(355,691)	1,028,380

g-Fleet Management

Annual Financial Statements for the year ended 31 March 2015

Reconciliation Of Property, Plant and Equipment - 2015

	Opening Balance	Additions	Disposals	Transferred From Work-In- Progress	Transferred to Inventory	Transferred From Inventory	Assets Stolen/ Under- Investigation	Depreciation Costs	Impairment Charges	Closing Balance
Machinery and Tools	-	38	-	-	-	-	-	(1)	-	37
Furniture and Fixtures	7,928	739	-	-	-	-	-	(662)	-	8,005
Motor Vehicles	887,578	244,113	(1,621)	-	(93,824)	92	(351)	(105,839)	-	930,148
Leased Property	13,462	-	-	-	-	-	-	(147)	-	13,315
Leased Machinery and Cellphones	5,747	280	-	-	-	-	-	(2,604)	-	3,423
Leasehold Improvements	41,934	-	-	19,154	-	-	-	(2,508)	-	58,580
Guard Houses	121	-	-	-	-	-	-	(4)	-	117
Assets Under Construction -WIP	71,610	15,933	-	(19,154)	-	-	-	-	(5,271)	63,118
Total	1,028,380	261,103	(1,621)	-	(93,824)	92	(351)	(111,765)	(5,271)	1,076,743

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

Reconciliation of Property, Plant and Equipment - 2014

	Opening Balance	Additions	Disposals	Transferred From Work-In-Progress	Transferred to Inventory	Transferred from Inventory	Transferred to Other Institutions	Assets Stolen/ Under-Investigation	Depreciation Costs	Closing Balance
Furniture and Fixtures	8,476	110	-	-	-	-	-	-	(658)	7,928
Motor Vehicles	773,963	277,106	(5,749)	-	(58,936)	193	(7,659)	(3,387)	(87,953)	887,578
Leased Property	13,610	-	-	-	-	-	-	-	(148)	13,462
Leased Machinery and Cellphones	232	7,372	-	-	-	-	-	-	(1,857)	5,747
Leasehold Improvements	5,157	-	-	37,242	-	-	-	-	(465)	41,934
Guard Houses	126	-	-	-	-	-	-	-	(5)	121
Assets Under Construction - WIP	108,852	-	-	(37,242)	-	-	-	-	-	71,610
Total	910,416	284,588	(5,749)	-	(58,936)	193	(7,659)	(3,387)	(91,086)	1,028,380

Assets subject to finance lease (Net carrying amount)

Plant and Machinery	93	56
Leased Property	13,315	13,462
Leasehold Improvements	58,580	41,934
	71,988	55,452

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015	Restated
	R '000	2014
		R '000

10. Intangible Assets

	2015			2014		
	Cost / Valuation	Accumulated Carrying Value Amortisation and Impairment	Carrying Value	Cost / Valuation	Accumulated Amortisation and Impairment	Carrying Value
Computer software	620	(497)	123	511	(472)	39

Reconciliation of intangible assets - 2015

	Opening balance	Additions	Amortisation	Closing balance
Computer software	39	110	(26)	123

Reconciliation of intangible assets - 2014

	Opening balance	Additions	Amortisation	Closing balance
Computer software	75	-	(36)	39

In the current reporting period Management have reassessed useful life of Pastel software from seven to nine years.

11. Change in Estimate of Useful Life Property, Plant and Equipment

The useful life of Pastel software was initially assessed to be 7 (seven) years. In the current period management have revised their estimate to 9 (nine) years. The effect of this revision has decreased the amortisation charges for the current and future periods as follows:

Amortisation based on 7 year useful life	-	36
Amortisation based on 9 year useful life	-	26
Net impact on amortisation	-	10

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

12. Other Non-Current Assets

Deposits		91	91

13. Finance Lease Obligation

Non-Current Liabilities	15,981	20,588
Current Liabilities	3,395	1,373
Total	19,376	21,961

As at 31 March 2015

	Minimum lease payable	Future finance charges	Present value of minimum lease payables
Within One Year	7,007	(3,612)	3,395
Within Two To Five Years	7,542	(6,192)	1,350
Later Than Five Years	100,799	(86,168)	14,631
Subtotal	115,348	(95,972)	19,376
Less: Amount Due Within One Year	(7,007)	3,612	(3,395)
Total	108,341	(92,360)	15,981

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000	
As at 31 March 2014	Minimum lease payable	Future finance charges	Present value of minimum lease payables
Within One Year	5,586	(4,213)	1,373
Within Two to Five Years	16,720	(10,767)	5,953
Later Than Five Years	103,200	(88,565)	14,635
Subtotal	125,506	(103,545)	21,961
Less: Amount Due Within One Year	(5,586)	4,213	(1,373)
Total	119,920	(99,332)	20,588

The lease periods of agreements entered into by g-FleeT in the capacity as a lessee ranges from 2 to 99 years. Interest rates are not fixed, and vary per lease agreement. The finance lease obligations, which are repayable monthly and are secured by finance lease assets included in Property, Plant and Equipment.

Tracker Devices:

The Entity entered into finance lease agreement with Fleetmatics, that was previously incorrectly reported in the financial statements.

Cellphones:

The Entity entered into finance leases with MTN, that were previously incorrectly reported in the financial statements.

Photocopying Machines:

The Entity entered into finance lease agreement with Vukani, that were previously incorrectly reported in the financial statements.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
14. Payables from Exchange Transactions		
Trade Payables	31,687	73,032
Trade Receivables With Credit Balances	792	-
Service Bonus Accrual	1,228	933
Leave Pay Accrual- Capped Leave	2,998	2,951
Leave Pay Accrual	3,135	2,118
Other Payables	-	1,106
Less Fair Value Adjustment	(745)	(906)
Total	39,095	79,234

Service bonus accrual

Accruals were raised for service bonus (13th cheque) that are due within the next 12 months. The service bonus relates to those amounts not yet paid to employees.

Leave pay accrual

In terms of the Determination on Leave of Absence in the Public Service employees are entitled to annual leave with full pay during each leave cycle of 12 months, commencing on 1 January of each year. The remaining leave days, if any, must be taken no later than 6 months after the expiry of the relevant leave cycle, where after unused leave credits shall be forfeited.

15. Revenue from Leases

Revenue From Leases

Operating Lease	370,128	493,999
Finance Lease	213,079	-
Fuel and Oil	142,696	166,388
Toll Fees	4,100	4,645
Traffic and Accident Claims	3,286	237
Transport Services	1,644	1,777
Total	734,933	667,046

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
--	----------------	----------------------------

16. Realisation of Property Lease Liability

Realisation of Property Lease Liability	1,200	1,200
---	-------	-------

During 2009, the then Gauteng Department of Public Transport Roads and Works entered into a rental agreement with the Gauteng Department of Infrastructure and Development. In terms of this lease agreement, the monthly rental determined at R 100,000 per month (amounting to a R 1,2million per annum) over the 99 year lease period. The rental agreement does not provide for any inflation, or inflationary adjustments.

The lease agreement further stipulates that the rental fees as paid by g-FleeT, that is in respect of the Entity's Head Office (situated at No. 16 Boeing Road East, Bedfordview) should be set off against any expenditure incurred by the Entity relating to leasehold improvements.

The Entity has recognised this contract as a finance lease, and therefore accounts for this benefit as revenue from exchange transactions given the improvements that have been effected by g-FleeT.

17. Interest Income

Interest Revenue Bank	9,636	3,013
-----------------------	-------	-------

18. Revenue from Unconditional Grants

Department of Justice and Constitutional Development	11,279	11,920
--	--------	--------

The Entity receives unconditional grants from the Department of Justice and Constitutional Development to purchase judges vehicles.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
--	----------------	----------------------------

19. Employee Related Costs

Employee Related Costs - Salaries and Wages	64,470	54,749
Service Bonuses	2,488	2,048
Medical Aid Contributions	1,412	1,241
Pension Fund Contribution	3,693	2,747
Bargain Council Fees	12	9
Other Employee Related Costs	587	224
Overtime Payments	953	966
Housing Benefits and Allowances	5,825	5,178
Total	79,440	67,162
Average Number Of Employees	256	269

Other employee related costs consists of expenditure relating to compensation due to injury on duty and other miscellaneous compensation that may have occurred in the year.

20. Depreciation and Amortisation

Amortisation	26	35
Depreciation - Property plant equipment	111,765	91,086
	111,791	91,121

21. Finance Costs

Finance lease costs	4,638	4,240
---------------------	-------	-------

22. Debt Impairment

Contributions to debt impairment provision	65,171	27,556
--	--------	--------

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
23. Operating Expenses		
Advertising	523	1,004
Auditors remuneration	3,260	3,164
Bank charges	23	23
Conferences and seminars	1,341	1,441
Consulting and professional fees	2,867	3,973
Consumables	1,809	1,673
Entertainment Costs	44	76
Fuel and oil	156,086	171,960
Legal fees	335	518
Levies	1,498	1,919
Licence fees - software	1,070	168
Licence fees- vehicles	4,817	4,485
Marketing expenses	663	590
Motor vehicle expenses - (RT 46 costs)	14,709	17,367
Motor vehicle hire - (SMMT costs)	-	15,890
Other expenses	12	74
Parking Costs	27	2
Postage and courier	137	98
Printing and stationery - Head Office	831	458
Printing and stationery - Regions	2	2
Rental expenses - operating lease	5,396	3,992
Inventory write down to net realisable value	1,270	5,195
Security Costs	2,912	2,937
Stock and material	495	208
Subscription Fees	45	110
Tracking expenses	9,080	6,301
Training Costs	1,994	1,050
Travel - local	1,204	1,909
Total	212,450	246,587

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
24. Fair Value Adjustments Loss		
Assets at deemed cost	-	(11,890)
25. Gains and Losses on Sale of Assets		
Property, Plant and Equipment	(565)	(11,554)
Gain or losses is as a result of assets sold at the public auctions held during the year.		
26. Auditors' Remuneration		
Audit Fees	3,260	3,164
27. Cash Generated from Operations		
Net Surplus for the Year		
Adjustments for:	169,435	95,689
Depreciation and amortisation	111,791	91,121
Gain on sale of assets and liabilities	565	11,554
Fair value adjustments	-	11,890
Finance costs - Finance leases	4,638	4,280
Interest income	(1,709)	(3,013)
Impairment of assets	5,271	-
Debt impairment	65,171	27,556
Movements in leave pay accrual	1,360	(912)
Accrual- sale of goods (auction of vehicles)	(1,298)	(389)
Inventory write down to Net Realisable Value	1,270	5,195
Realisation of lease property	(1,200)	(1,200)
Cost of sales	67,669	59,348
Auction sale commission	-	2,474
Changes in working capital:		
Trade and other receivables from exchange transactions	(100,084)	61,848
Other receivables from non-exchange transactions	5,151	17,798
Prepayments	(581)	-
Payables from exchange transactions	(40,137)	(23,416)
Effects of prior year adjustment to non-cash items	(26,100)	(70,259)
Total	261,212	289,564

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
--	----------------	----------------------------

28. Commitments

Authorised capital expenditure

Already contracted for

- Infrastructure
- Consulting fees

2,658	20,590
14,727	-
17,385	20,590

Not yet contracted for and authorised by members

- Motor vehicles

81,454	10,536
--------	--------

This expenditure will be financed from:

- Own resources
- Other

98,839	31,126
-	-
98,839	31,126

Commitment due:

Minimum payments due

- within one year
- in second to fifth year inclusive

98,839	20,590
-	10,536

Total

98,839	31,126
---------------	---------------

29. Contingencies

Contingent liabilities consist of:

Contract claim for outstanding invoices and accident damages	1,000	1,000
Application for: 1. Lien on Property, 2. Interdict to proceed with affected construction on g- FleeT's site and 3. Payment of various claims, by the relevant sub-contractors.	3,484	7,509
4. Housing Guarantees	42	42
Tender repudiation of appointment: Plaintiff is claiming damages arising out of the repudiation of contract by g-FleeT.	-	18,000
Performance Bonus (g-FleeT staff) 2015	1,063	-
Imphopoma Infrastructure (2010 invoice)	1,860	1,860
Total	7,449	28,411

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
--	----------------	----------------------------

30. Related Parties

Nature of related party: g-FleeT is the fleet management service provider to Government.

Related party balances

Amounts included in Trade Receivable (Trade Payable) regarding related parties

g-FleeT by DRT	1,424	10,239
g-FleeT by DRT	581	-
DRT from g-FleeT	(371)	(209)
	1,634	10,030

The above transactions occurred under terms that were no less favourable than those available in similar arms length dealings with other Government institutions.

31. Senior Management Emoluments Executive

As at 31 March 2015

	Basic Salary	13Th Cheque	Pension Contribution	Other Benefits	Grand Total
Mr. Chikane Chikane	973	88	126	228	1,415
Ms. Natalie Govender	745	-	97	223	1,065
Mr. Victor Mhangwana (Appointed 01-Apr-14)	692	-	90	207	989
Mr. Sishi Hlalanathi	579	48	75	263	965
Ms. Tebogo Mokete	522	43	68	237	870
Ms. Andile Ngcobo	491	41	64	223	819
Ms. Salomi Jafta	491	41	64	223	819
Ms. Jackee Khumalo (Resigned 31-Dec-13)	-	-	-	77	77
Ms. Ravanne Mathews	535	45	69	241	890
Mr. Thulani Mkwanaazi	506	42	66	229	843
Total	5,534	348	719	2,151	8,752

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015		Restated		
	R '000		2014		
			R '000		
As at 31 March 2014					
	Basic Salary	13Th Cheque	Pension	Benefits	Total Grand
Mr. Chikane Chikane	1,171	98	152	253	1,674
Ms. Natalie Govender	705	-	-	272	977
Ms. Jackee Khumalo (Resigned 31-Dec-13)	634	-	92	211	937
Mr. Sishi Hlalanathi	545	45	71	247	908
Ms. Tebogo Mokete	491	41	64	223	819
Ms. Andile Ngcobo	463	33	10	58	564
Mr. Tebogo Moqhobai (Resigned 31-July-12)	78	39	61	213	391
Ms. Salomi Jafta	463	39	60	210	772
Ms. Ravanne Mathews	470	39	60	210	779
Mr. Thulani Mkwanazi	463	39	60	210	772
Total	5,483	373	630	2,107	8,593

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
--	----------------	----------------------------

32. Financial Instruments Disclosure

In accordance with GRAP 104 the Financial Assets of the Entity are classified as follows:

Categories of financial instruments

Financial assets

Cash and cash equivalents	303,140	290,870
Receivables from exchange transactions	240,920	193,118
	544,060	483,988

Financial liabilities

Payables from exchange transactions	39,093	80,473
Current portion of finance lease liability	3,395	1,373
Non-current portion of finance lease liability	15,981	20,588
Total	58,469	102,434

33. Risk Management

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.

The Entity ensures that it has sufficient cash on demand or access to facilities to meet expected operational and capital expenses.

The table below analyses the Entity's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in below are the contractual undiscounted cash flows.

At 31 March 2015	Less than 1 year	Between 2 and 5 years	Greater than 5 years	Total
Finance lease liabilities	3,395	1,350	14,631	19,376
Trade and other payables	39,093	-	-	39,093
At 31 March 2014	Less than 1 year	Between 2 and 5 years	Greater than 5 years	Total
Finance lease liabilities	1,373	5,953	14,635	21,961
Trade and other payables	80,473	-	-	80,473

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
--	----------------	----------------------------

Credit Risk

Exposure to Credit Risk:

Credit risk consists mainly of cash deposits, cash equivalents, trade receivables and other receivables that may be raised during the ordinary course of business.

g-FleeT Management considers its credit risk exposure to be minimised as:

- The Entity only holds cash with major banks with high quality credit standing and limits exposure to any one counter- party.
- Trade receivables and other receivables comprise of a Government customer base as a result Government debt is considered recoverable.

These financial asset balances represent the maximum exposure to credit risk. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Financial Instrument		
Cash and cash equivalents	303,140	290,870
Trade and other receivables from exchange transactions	240,920	193,118
Total	544,060	483,988

At 31 March 2015, g-FleeT did not consider there to be any significant concentration of credit risk that had not been adequately provided for as no security is held against cash and cash equivalents.

Exposure Interest Rate Risk

Interest risk consists of finance lease liability incurred. The Entity limits its exposure to interest rate fluctuations by only dealing with well-established institutions and opting where possible for fixed interest rates rather than variable rates.

34. Going Concern

Management is not aware of any matters or circumstances arising since the end of the financial year which were otherwise not dealt with in the Annual Financial Statements, which significantly affects the financial position of the Entity or the results of its operations.

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
--	----------------	----------------------------

35. Events After the Reporting Date

There are no subsequent events to be reported upon.

36. Fruitless and Wasteful Expenditure

Reconciliation of fruitless and wasteful expenditure:

Included in operating cost expenditure per the statement of financial performance is:

Opening balance	10,868	10,715
Fruitless and wasteful expenditure - relating to current year	1,664	153
Fruitless and wasteful expenditure awaiting resolution	12,532	10,868
Analysis of awaiting resolution per economic classification		
Current	1,664	153
Total	1,664	153

Payment of traffic fines on behalf of the drivers from various Client Departments. Amount to R 1,664 000.

Disciplinary steps taken/criminal proceedings

It is the decision of the Accounting Officers of the relevant Department to implement disciplinary action against their officials using the state vehicle and not that of the Entity.

37. Irregular Expenditure

Opening balance	43,965	40,126
Add: Irregular expenditure - relating to prior year	-	-
Add: Irregular expenditure - relating to current year	3,565	3,839
Less: Amounts condoned	-	-
Total	47,530	43,965
Analysis of awaiting condonation per age classification		
Current year	3,565	3,839
Prior years	43,965	40,126
Total	47,530	43,965

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
Analysis of the current year irregular expenditure		
Details of irregular expenditure		
Atlas Properties (Expired Regional Office Rental Contract)	241	-
Gecko (Expired Office Equipment Lease Contract)	443	-
Miravan (Expired Regional Office Rental Contract)	206	-
Mtn (No Cellphone Contract)	1,296	-
SMMT (Expired Vehicle Tracking Contract)	951	3,839
Vukile Property Fund (Expired Regional Office Rental Contract)	168	-
Windmill Properties (Expired Regional Office Rental Contract)	260	-
Total	3,565	3,839

Disciplinary steps taken/criminal proceedings

Regional Office Rental Contracts (Atlas Properties, Miravan, Vukile Property Fund)

No official was found to be at fault, as the Gauteng Department of Infrastructure and Development has not been appointed as the custodian to administer immovable assets located outside the Province

Tracking contract (SMMT)

No official was found to be at fault, as the Entity ensured that the tracking devices installed per the initial tracking contract was not renewed for an additional 3 (three) year term. During the current financial year 75% (2014: 46%) of the devices under the old tracking contract were decommissioned.

Cellphone contract (MTN)

No official currently employment within the Department and g-FleeT therefore no disciplinary action was taken

38. Prior Period Adjustments

Adjustments were made to correct the following errors in the prior year:

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
--	----------------	----------------------------

38.1. Trade Receivables

The prior period adjustment processed against Accumulated Surplus is as a result of an duplicated billing that took place in the previous financial period, where such corrections were processed in June 2014 which then had to be reversed and processed in the period in which it occurred.

Trade and other receivables from exchange transactions previously reported	-	293,679
Credit notes to correct duplicate billings effected	-	(71,205)
Correction of revenue recognition journal incorrectly processed	-	(21,078)
Reallocation of other receivables from non exchange transactions(fines and accident claims)	-	(14,144)
Correction of accrual for auction sales	-	389
Correction of trade receivables	-	5,477
Trade and other receivables from exchange transactions restated as at 31 March 2014	-	193,118
Receivables from non exchange transactions previously reported	-	-
Reallocation from receivables from exchange transactions	-	14,144
Correction of accruals previously not reversed	-	(3,780)
Receivables from non exchange transactions restated as at 31 March 2014	-	10,364

38.2. Finance Lease Receivables

The prior period adjustments a result of incorrectly accounting for lease of property in the capacity of a lessee.

Finance lease receivables previously reported	-	364,175
Transferred to property plant and equipment	-	(364,175)
	-	-

38.3. Non Current Assets Held for Sale

The prior period adjustments is a result of incorrectly accounting of lease in for g- FleeT in the capacity as a lessor.

Non current asset held for sale previously reported	-	29,788
Non current asset reallocated to inventory	-	(29,788)
Non-current asset held for sale restated as at 31 March 2014	-	-

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
--	----------------	----------------------------

38.4. Inventory

The prior period adjustments is a result of incorrectly reporting inventory items as non current asset held for sale.

Inventory previously reported	-	-
Non-current assets held for sale reallocated to inventory	-	29,788
Correction of inventory sold for periods to 2013	-	(10,948)
Vehicles transferred from property, plant and equipment in 2014	-	58,936
Vehicles sold in 2014	-	(59,348)
Vehicles transferred to property, plant and equipment in 2014	-	(193)
Inventory write down to Net Realisable Value	-	(5,195)
Inventory restated as at 31 March 2014	-	13,040

38.5. Other Non Current Assets

Work in progress was incorrectly reported as other non current assets.

Other non current assets previously reported	-	114,255
Correction of WIP previously reported as other non current assets	-	(114,255)
Other non current assets restated as at 31 March 2014	-	-

38.6. Construction Receivables

Construction receivable was incorrectly raised for finance lease property.

Construction receivable previously reported	-	1,200
Correction of construction receivables incorrectly reported	-	(1,200)
Construction receivables restated as at 31 March 2014	-	-

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
--	----------------	----------------------------

38.7. Property, Plant and Equipment

The prior period adjustments are a result of corrections to the cost and accumulated depreciation of motor vehicles, the correction of work in progress previously reported, raising leased assets for property and tracker lease agreements, as well as corrections to furniture and fittings and other accumulated depreciation categories.

Property, plant and equipment previously reported	-	480,699
Correction of WIP previously reported as other non current assets	-	114,255
Correction of WIP previously reported as part of accumulated surplus	-	3,342
Correction of motor vehicle cost	-	548,876
Correction of motor vehicle accumulated depreciation	-	(77,262)
Transfers to inventory	-	(58,936)
Transfers from inventory	-	193
Recognition of leased assets- Tracker costs	-	4,137
Correction of leasehold accumulated depreciation	-	(922)
Recognition of property lease asset costs	-	14,646
Recognition of accumulated depreciation - property lease	-	(1,184)
Correction of accumulated depreciation- machinery and tools	-	-
Correction of accumulated depreciation - guard houses	-	(9)
Corrections to furniture and fittings and leased assets	-	545
Property, plant and equipment restated as at 31 march 2014	-	1,028,380
Motor vehicles previously reported	-	471,777
Correction of motor vehicle cost	-	548,876
Correction of accumulated depreciation motor vehicles	-	(77,262)
Transfers to inventory	-	(58,936)
Transfers from inventory	-	193
Reversal of impairment	-	2,870
Difference between PY AFS and PY TB	-	60
Motor vehicles restated as at 31 March 2014	-	887,578

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
Office furniture & equipment		
Office furniture & equipment previously reported	-	8,915
Guard houses reported as office equipment	-	(130)
Transfer of furniture and fitting FY 13	-	3,021
Transfer of furniture and fitting FY 14	-	110
Corrections to accumulated depreciation	-	(3,988)
Office furniture & equipment restated as at 31 March 2014	-	7,928
Machinery and tools		
Machinery and tools previously reported	-	13
Accumulated depreciation - Machinery and tool	-	(13)
Machinery and tools restated as at 31 March 2014	-	-
	-	114,255
WIP Assets Under Construction		
Work in progress previously reported		
Correction of WIP	-	3,342
Completed property improvement FY13	-	(5,614)
Transfer of furniture and fitting FY 13	-	(3,021)
Completed property improvement FY14	-	(37,242)
Transfer of furniture and fitting FY 14	-	(110)
Assets under construction WIP restated at 31 March 2014	-	71,610
	-	-
Leasehold Improvements		
Leasehold improvements previously reported		
Completed property improvement FY13 - Cost	-	5,614
Completed property improvement FY14 - Cost	-	37,242
Accumulated depreciation - property improvement FY 14	-	(922)
Leasehold Improvements restated at 31 March 2014	-	41,934
	-	-
Leased Property		
Lease property previously reported		
Recognition of property lease asset - Cost	-	14,646
Accumulated depreciation - Leased property FY 14	-	(1,184)
Lease property restated as at 31 March 2014	-	13,462
	-	-
Leased Machinery and Cellphones		
Machinery and cellphones previously reported		

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
Recognition of leased assets- Tracker	-	4,137
Lease- photocopying machine - FY 14	-	1,680
Lease- cell phones - FY 13	-	1,554
Lease- cell phones - FY 14	-	1,103
Accumulated depreciation FY14 on machinery and tracker	-	(2,727)
Leased machinery and cell phones restated as at 31 March 2014	-	5,747
Guard Houses		
Guard houses previously reported	-	-
Guard house previously reported as office furniture and equipment	-	130
Accumulated depreciation FY15 previously not calculated	-	(9)
Guard houses restated as at 31 March 2014	-	121

38.8. Payables from Exchange Contracts

The follow corrections were effected:

Service bonus and leave pay was incorrectly reported as a provision were reallocated to payables. In addition leave pay accrual was corrected. Straight lining of lease obligation calculation relating to prior years were reversed

Fair value and interest transactions relating to prior years that were no longer applicable were reversed. Accrual on fuel invoices relating to prior years were reversed.

Invoices in dispute previously reported as being payable to Imphopoma Infrastructure were reversed and disclosed as contingent liabilities.

Trade and other payables from exchange transactions previously reported	-	85,989
Reallocation of service bonus accrual previously reported as a provision	-	933
Reallocation of leave pay accrual previously reported as a provision	-	8,244
Correction of leave accrual- permanent staff- capped leave	-	(4,809)
Correction of leave accrual - contract workers	-	(484)
Correction of straight lining of operating lease	-	(882)
Correction of lease obligation interest liability incorrectly processed	-	(1,414)
Correction of Prior year payables fair valuation not reversed	-	(3,419)
Correction of payables fair valuation not reversed	-	(3,629)
Correction of 2013 accrual FML Fuel	-	(1,554)
Correction of leave accrual- permanent staff- current and previous cycle pro rata leave	-	2,118
Correction of - Imphopoma Infrastructure - 2010 invoice	-	(1,860)
Trade and other payables from exchange transactions restated as at 31 March 2014	-	79,233

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
--	----------------	----------------------------

38.9. Income Received in Advance

Unconditional grants received from the Department of Justice and Constitutional Development were incorrectly accounted for as income received in advance

Income received in advance as previously reported	-	7,721
Correction of unconditional grant	-	(7,721)
Income received in advance restated as at 31 March 2014	-	-

38.10. Provisions

Leave pay and service bonus accrual were incorrectly reported as a provision. In addition to this the performance bonus provision was incorrectly calculated.

Provisions previously reported	-	9,177
Reallocation of leave pay accrual	-	(8,244)
Reallocation of service bonus accrual	-	(933)
Provisions restated as at 31 March 2014	-	-

38.11. Accumulated Surplus 01 April 2013

The prior period adjustments relates to the transactions outlined in notes 38.1 - 38.11

The impact of the above changes in the restated 2014 balances is as follows:

Statement of Net Asset Effect

Accumulated surplus previously reported	-	1,303,822
Add: Correction of contract workers leave pay	-	484
Add: Correction of operating lease straight lining not reversed for the SMMT lease contract	-	882
Less: Correction of construction receivable raised	-	(1,200)
Add: Correction of unconditional income received in advance	-	4,758
Less: Revenue recognition journal incorrectly processed	-	(21,079)
Add: Correction cost of vehicles	-	184,702
Less: Correction accumulated depreciation motor vehicles	-	(83,622)
Less: Revenue from sale of inventory	-	(46,626)
Less: Correction of accum depreciation machinery and tools	-	(87)
Less: Correction of inventory	-	(10,949)

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
Less: Correction of furniture and fittings cost	-	(857)
Add: Correction of tracker lease liability	-	266
Add: Correction of 99year lease liability	-	4
Add: Correction of cell phone lease liability	-	656
Add: Correction of working progress previously expensed	-	3,342
Less: Correction of accumulated depreciation of Property lease	-	(1,036)
Less: Correction of accumulated depreciation Leasehold improvement	-	(457)
Add: Reversal of accumulated impairment	-	299
Less: Correction of accumulated depreciation of machinery and cell phone leased asset	-	(875)
Less: Correction of guard house accumulated depreciation	-	(4)
Less: Correction of accumulated depreciation tools	-	(6)
Less : Correction of accumulated depreciaton furniture and fittings	-	(2,715)
Less: Correction of Leased asset costs (Tracker, cell phone and photocopier)	-	(4,254)
Add: Correction of lease obligation interest liability incorrectly processed	-	1,414
Add: Correction of Prior year payables fair valuation not reversed	-	3,419
Add: Correction of payables fair valuation not reversed	-	3,628
Add: Correction of 2013 accrual FML Fuel	-	1,554
Add: Correction of receivable accruals previously not reversed	-	(3,780)
Add: Correction of - Imphopoma Infrastructure - 2010 invoice	-	1,859
Add: Correction to revenue journal incorrectly processed	-	5,476
Accumulated surplus restated as at 01 April 2013	-	1,339,018

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
38.12. Surplus 2014		
Corrections to Property plant and equipment, Provisions, inventory and lease liabilities resulted in adjustment to the surplus previously reported.		
Surplus previously reported	-	167,240
Less: Credit notes processed to correct revenue	-	(71,203)
Add: Revenue from unconditional grants	-	2,962
Add: Correction of leave pay accrual	-	4,809
Less: Correction of depreciation - guard house	-	(4)
Less: Correction of depreciation - property lease	-	(148)
Less: Correction of depreciation - lease hold improvement	-	(465)
Add: Correction of depreciation - motor vehicles	-	6,360
Add: Correction of depreciation - Furniture and fittings	-	3,978
Less: Correction of depreciation -Cell phones and machinery	-	(1,857)
Add: Correction of depreciation -tools	-	6
Add: Revenue from sale of goods not previously reported	-	41,768
Less: Cost of goods sold not previously reported	-	(59,348)
Add: Correction of realisation of property lease	-	1
Add: Cell phone repayment of leased asset expensed	-	540
Add: Photocopying machine repayment of leased asset expensed	-	546
Add: Correction of loss on sale of asset	-	4,858
Add: Reversal impairment raised	-	2,570
Add: Correction of accrual for auction sales	-	389
Less: Correction of leave accrual- permanent staff- current and previous cycle pro rata leave	-	(2,118)
Less: Inventory write down to net realisable value	-	(5,195)
Restated Surplus for 2014	-	95,689

g-FleeT Management

Annual Financial Statements for the year ended 31 March 2015

	2015 R '000	Restated 2014 R '000
--	----------------	----------------------------

38.13. Statement of Financial Performance Comparatives

Corrections and reclassifications have been made to the Statements of Financial Performance as follows

Repairs and maintenance previously reported	-	83,187
Reallocation of repairs and maintenance previously reported as general expenses	-	27,002
Repairs and maintenance restated 31 March 2014	-	110,189
Operating Expenses previously reported	-	272,521
Reallocation of repairs and maintenance previously reported as general expenses	-	(27,002)
Reallocation of capital repayment for lease liability - Cell phones	-	(540)
Reallocation of capital repayment for lease liability - tracker	-	(546)
Reallocation of finance costs for lease liability	-	(3,041)
Inventory write down to net realisable value	-	5,195
Operating expenses restated 31 March 2014	-	246,587
Finance costs previously reported	-	-
Finance costs reallocated from Operating expenses (cell phone, photocopiers and tracker)	-	3,041
Recognition of finance costs - Property lease	-	1,199
Finance costs restated as at 31 March 2014	-	4,240
Depreciation previously reported	-	98,991
Correction of depreciation	-	(7,870)
Depreciation restated as at 31 March 2014	-	91,121
Employee related costs previously reported	-	69,852
Correction of leave pay accrual	-	(4,808)
Correction of leave accrual- permanent staff- current and previous cycle pro rata leave	-	2,118
Employee related costs restated as at 31 March 2014	-	67,162
Revenue previously reported	-	750,219
Credit notes issued	-	(71,204)
Sale of goods	-	42,157
Realisation of property lease liability	-	1,200
Revenue unconditional grants	-	2,964
Revenue restated as at 31 March 2014	-	725,336
Cost of sales previously Cost of sales (inventory)	-	-
	-	(59,348)
Cost of sales restated as at 31 March 2014	-	(59,348)
(Loss) on Sale of Assets	-	(16,412)
Correction of loss on sale of asset	-	4,858
Loss on Sale of Assets restated as at 31 March 2014	-	(11,554)

Gauteng Department of Roads and Transport

41 Simmonds Street, Johannesburg

Private Bag X83 Marshalltown 2107

Tel: 011355 7000 | **Fax:** 011355 7305

Email: GPRoads.Transport@gauteng.gov.za

www.roadsandtransport.gpg.gov.za

PR122/2015

ISBN: 978-0-621-43555-9