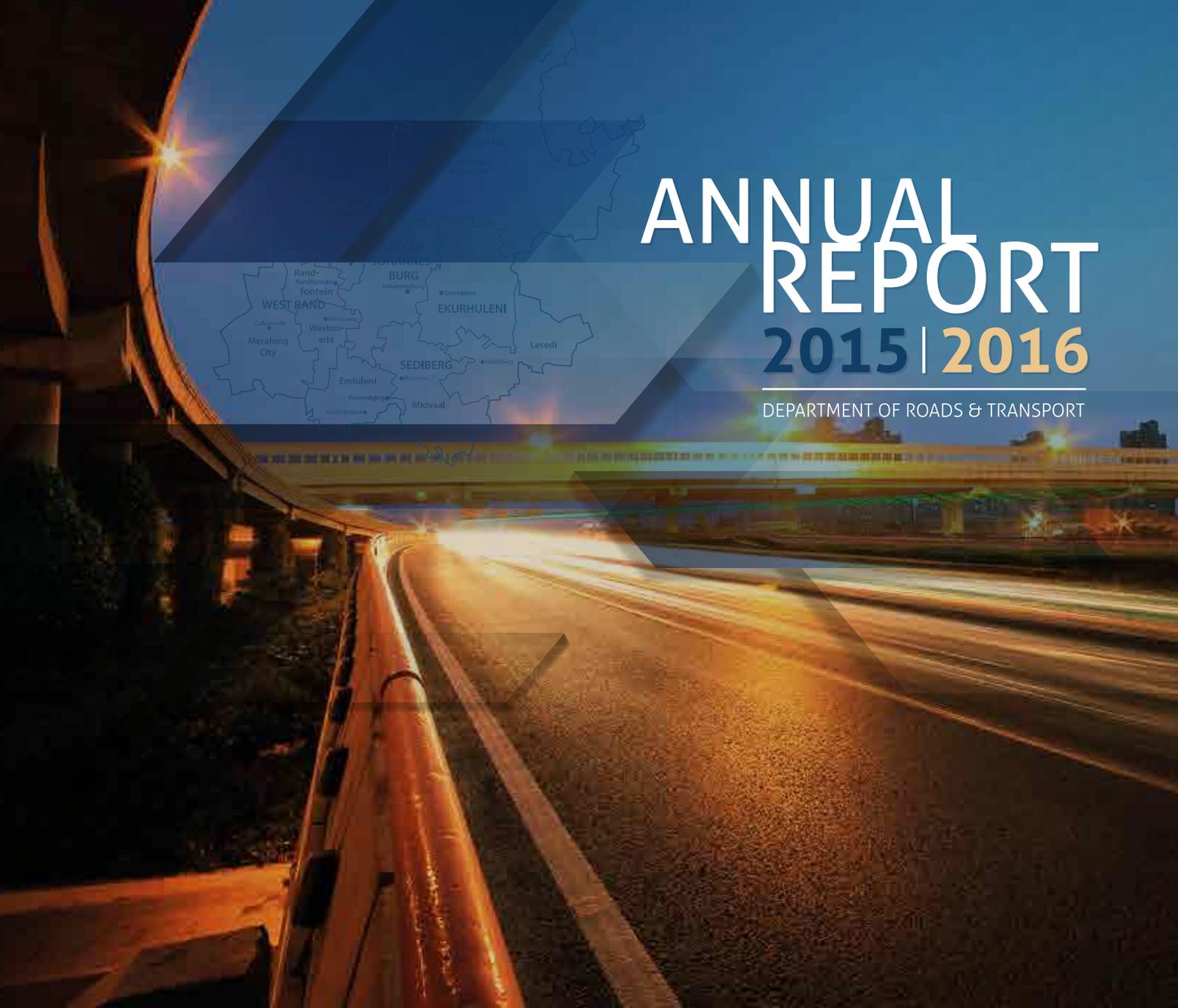


ANNUAL REPORT

2015 | 2016

DEPARTMENT OF ROADS & TRANSPORT



Together, Moving Gauteng City Region Forward



GAUTENG PROVINCE
ROADS AND TRANSPORT
REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT 2016

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PART

A:

GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

ABET	Adult Basic Education and Training
AGSA	Auditor-General of South Africa
AO	Accounting Officer
BAS	Basic Accounting System
BBBEE	Broad-Based Black Economic Empowerment
BRT	Bus Rapid Transit
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGICTF	Corporate Governance Information Communication Technology Framework
CLLT	Computerised Learners Licence Testing
CoJ	City of Johannesburg
CoT	City of Tshwane
CS	Corporate Services
CSIR	Council of Scientific and Industrial Research
DDG	Deputy Director General
DEA	Department of Environmental Affairs
DID	Department of Infrastructure Development
DLTC	Driver Learner Testing Centre
DoH	Department of Health
DoRA	Division of Revenue Act
DPSA	Department of Public Service and Administration
ECSA	Engineering Council of South Africa
EIA	Environmental Impact Assessment
eNaTIS	Electronic National Traffic Information System
EPWP	Expanded Public Works Programme
OESS	Employee Self Service
EXCO	Executive Council
FIS	Fleet Information System
GCRA	Gauteng City Region Academy
GDE	Gauteng Department of Education
GDF	Gauteng Department of Finance
GDP	Gross Domestic Product
GDRT	Gauteng Department of Roads and Transport
GEGDS	Gauteng Employment, Growth and Development Strategy
GEP	Gauteng Enterprise Propeller
GEYODI	Gender Youth and People with Disabilities
GFIP	Gauteng Freeway Improvement Plan
GIAMA	Government Immovable Asset Management Act
GPG	Gauteng Provincial Government
GSSLA	Gauteng Scrutiny of Subordinate Legislation Act
GTIA	Gauteng Transport Infrastructure Act
GTIP5	5-Year Gauteng Transport Implementation Plan
HAST	HIV, AIDS, STI 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 Resources
ICT	Information Communication Technology
IDMS	Infrastructure Delivery Management System
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
JRA	Johannesburg Roads Agency
LTPS	Land Transport Permit System

2. LIST OF ABBREVIATIONS/ACRONYMS

M&E	Monitoring and Evaluation
MEC	Member of Executive Council
MMC	Member of the Mayoral Committee
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MVRA	Motor Vehicle Registration Authority
MVR&L	Motor Vehicle Registration and Licensing
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 Services
OHS	Occupational Health and Safety Act
OLAS	Operating Licence 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	Passenger Rail Agency of South Africa
PRMG	Provincial Roads Management Grant
PTOG	Public Transport Operations Grant
RACC	Registering Authorities Control Centre
RAMS	Road Asset Management System
RCC	Roller Compacted Concrete
RISFSA	Road Infrastructure Strategic Framework of South Africa
RISFSA	Road Infrastructure Strategic Framework of South Africa
RMPTS	Road Maintenance Professional Teams
RNMS	Road Network Management System
SACPLAN	South African Council for Planners
SACPCMP	South African Council for Project and Construction Management Professions
SACQSP	South African Council for Quantity Surveying Profession
SAICB	South African Insurance Crime Bureau
SADC	Southern African Development Community
SANAS	South African National Accreditation System
SANRAL	South African National Roads Agency Limited
SCM	Supply Chain Management
SLA	Service Level Agreement
SMME	Small Medium Micro Enterprises
SMF	Supervisory Monitoring Firms
SMS	Senior Management System
SPTN	Strategic Public Transport Network
SRN	Strategic Road Network
TDM	Transportation Demand Management
TETA	Transport Education Training Authority
TOLABs	Transport Operating Licence Administrative Bodies
ToR	Terms of Reference
TRP	Taxi Recapitalisation Project
UATP	African Association of Public Transport
U-AMP	User Asset Management Plan
UJ	University of Johannesburg
UTRCP	Ultra-Thin Concrete Pavements
VTC	Vehicle Testing Centre
VUT	Vaal Univeristy of Technology

3. FOREWORD BY THE MEC



Dr. Ismail Vadi

The 25-Year Integrated Transport Master Plan (ITMP25) serves as the strategic road map for the Department of Roads and Transport. It provides an evidence-based approach to transport planning to meet the current and future public transport and mobility needs of our people.

The Annual Report captures the progress of the Department's funded programmes for the period under review; the predetermined targets achieved and the challenges faced and dealt with in partnership with transport stakeholders.

A highlight of the Annual Report is the sterling effort made by the new management of g-Fleet to significantly improve the audit opinion on the entity. g-Fleet has received an unqualified audit report.

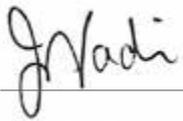
More significant is the signature of the Declaration of Intent by the Premier and the Executive Mayors of all municipalities in our province to establish a Gauteng Transport Authority for the city-region. This is a far sighted initiative that in the coming years will transform the way in which public transport is organised, managed and rendered to residents.

Our investment in transport infrastructure will continue to be a major contribution to the economic growth and development of our province, particularly at a time when the global and local economy are experiencing a downturn. The National Development Plan highlights the need for us to protect our assets. Therefore, the Department has in a place a proactive plan to ensure that the provincial road network is maintained and upgraded to support social and economic mobility as well as road safety.

Partnerships between government and private property developers will continue to give traction to the building of new roads in the five development corridors. Such partnerships foster alignment and harmonisation of land use and transport, and allow for integrated development that improves the lives of ordinary people. We would like to thank all property developers who have contributed positively to the growth and expansion of the provincial road network.

The provision of reliable, affordable and safe public transport remains the major challenge facing both provincial and local governments. The demand for subsidised public transport will escalate due to in-migration and the economic downturn. Therefore, the goal of delivering reliable, accessible, safe and affordable public transport to commuters will remain a top priority of the provincial government.

The Department delivers on its mandate in partnership with a range of transport stakeholders, whose sincere co-operation and participation contributes to our success. I would like to thank the management and staff of the Department, g-FleeT, and Gautrain for consistent professionalism and dedication. Also, a special thanks to the Committee on Roads and Transport in the Gauteng Provincial Legislature for its vigilant and vigorous oversight over the Department. Finally, a special word of appreciation to our partners and stakeholders, whose collaboration make it possible for us to deliver on our mandate.



Dr. I. Vadi

MEC of the Department of Roads and Transport

Date: 31/05/2016

4. REPORT OF THE ACCOUNTING OFFICER



Mr. Ronald Swartz
Head of Department

Operational overview of the Department

Overview of results

The Department has accomplished numerous successes during the financial year under review, notwithstanding the challenges that were experienced. There was significant progress in the implementation of its strategic economic transport infrastructure goals that has in turn yielded a number of service delivery achievements.

The upgrade of Road **P4-1 (Nederveen Rd (R103) from Leondale and Forsdick Roads (R554) to Barry Marias Rd (R21)** that forms part of the Transport Infrastructure Programme was successfully completed. The project **involved** the conversion of an 8.2 km single carriageway into a dual carriageway to improve accessibility and provide for future developments in the Vosloorus, Leondale and Southern Ekurhuleni areas. **Five major roads** in the various Metropolitan areas were also rehabilitated. As a result, 98.3% of the road infrastructure budget was spent. The various road construction and maintenance projects created 3,711 job opportunities through the national Expanded Public Works Programme (EPWP) and thereby contributed to Government's job creation initiatives.

The Temba Driver, Learner Testing Centre (DLTC) in Tshwane was effectively refurbished with the aim to modernise the transport regulatory services, enhance accessibility and improve customer centricity. The modernised DLTC now boasts an additional wing to accommodate the Motor Vehicle Registration Authority (MVRA), expand the testing capacity and streamline services. The upgrade furthermore included the introduction of new systems to enhance service delivery such as biometrics and queue management systems.

The Mabopane DLTC was also renovated, but the MVRA could not be completed due to unavailability of the eNaTIS system which is under a legal court case. We remain optimistic that this will be resolved as soon as possible, so that the Mabopane DLTC will be fully operational in the 2016/2017 financial year.

In line with the Gauteng Province's commitment to establish a **Gauteng Transport Authority**, the Department hosted a three day **International Conference** that was focused on transport authorities around the world. The conference was held in Boksburg from 09 to 11 March 2016. The primary objective was to share best practices and experiences, draw on the expertise of international and local transport specialists and to enrich the Province's understanding of an optimally functioning Transport Authority. The conference was well attended by both international and national stakeholders and showcased local Transport Authorities, as well as Transport Authorities from developed countries and the rest of Africa. The conference helped to identify numerous initiatives towards the establishment of the Gauteng Transport Authority in the 2016/2017 financial year.

The Department also successfully completed the **Gauteng Household Travel Survey (GHTS)** in collaboration with the three Metropolitans: the City of Johannesburg (CoJ), City of Tshwane (CoT) and Ekurhuleni; as well as the West Rand and Sedibeng District Municipalities. The GHTS is a critical tool to assess progress made in the provision of transport services and serves as input into transport planning activities for the province.

The open tender pilot project came to fruition in the financial year under review as the Department successfully implemented the **Open Tender Procurement System** in partnership with the Provincial Treasury. The system currently provides for all tenders above R50 million thresholds and allows members of the public to attend final adjudication processes. The Department already utilised this system for the appointment of contractors for two (2) major road rehabilitation projects, namely Cedar Road Phase 1 and William Nicol Road Phase 2. We will continue to leverage the system in future, to ensure open and transparent tender processes.

In line with the provincial objective of **paying customers within 30 days**, the Department improved its cash management process through enhanced internal processes and innovations. Subsequently, 99% of service providers are being paid within thirty (30) days as stipulated by Treasury Regulations. This is a 3% improvement in our compliance rate compared to the 2014/2015 financial year. An added benefit as a result of this - is that projects are now completed within the allocated timeframe or sometimes even earlier.

This year marks a pride milestone for the Department as it won a number of **Service Delivery and Public Service awards** for both individual and collective performances. One of the highlights includes the GovTech Award for Innovation that was presented to the Motor Vehicle Registration Unit. The Unit was also awarded 1st place with a cash prize of R100 000.00 from the Centre for Public Service Innovation for the Revenue Information Management System (RIMS) that was implemented. Mr Nhlakanipho Nduli, who ably leads the unit, was awarded the "Best Employee in Transport" and "Best Male Manager in Transport" and received a cash prize of R10 000.00. These awards are categorised under "Innovative Enhancement of Internal Systems in Government". The RIMS is a technological improvement that forms part of the revenue collection maximisation strategy and since its implementation, our net revenues have increased year on year.

The Department was also awarded the winning prize from the Southern African Institute of Government Auditors (SAIGA) for its preparation of the best Annual Report in the Gauteng province. According to SAIGA, the pyramid-shaped glass trophy "symbolises pursuit of excellence and transparency in the reporting function". SAIGA stated that the "Department's performance underscores its commitment to effective and accountable reporting". These achievements are testimony to Government's ability to take the lead in the development of innovative e-governance systems and staff excellence.

Challenges

While we celebrate our achievements, we must also take cognisance of some of the challenges that were faced in the year under review. Some provided the impetus to investigate new improvements, while others impacted negatively on service delivery. One of the key issues is a shortage of engineers that are registered with the Engineering Council of South Africa (ECSA) to execute the technical work on infrastructure projects. It has been difficult to attract qualified engineers to posts in line with the OSD directives. The Department is however focusing on various short and long term human resources capacity strategies to address this.

Significant events and projects for the year

Date	Events and projects	Overview
21 st April 2015	Open tender awarded	The first open tender was officially awarded on a multi-million Rand project for phase one of upgrading and rehabilitation of Cedar Road (D1027) from Valley Road to Runnymede Road. The tender was formally awarded by the Head of the Department. This was part of the Department's open tender pilot project that aims to ensure transparency in the awarding of government contracts in the province. The process also allowed members of the public to sit on the adjudication of the tender for the first time.
04 th – 08 th May 2015	United Nations (UN) Global Road Safety Week campaign.	The Department celebrated the UN Global Road Safety Week campaign that seeks to reduce offence rates on all key safety indices. The theme for the 2015 campaign was "Save Kids Lives" and as the name indicates, it was focused on children and road safety. Accordingly, the Department's activities included province-wide campaigns on law enforcement, scholar transport, and road safety.
04 th June 2015	Learner Driver's Support Programme – Licence Graduation	The Department of Roads and Transport, in collaboration with the provincial Departments of Education and Community Safety, together with the Gauteng City Region Academy (GCRA) bore witness to over 20 learners receiving their licence certificates at the Youth Month Expo at the Nasrec Exhibition Centre. This initiative forms part of the Learner Driver Support Programme that is piloted by the Department through its g-Fleet management entity. The programme seeks to instil good driver behaviour in future drivers and offers learners an opportunity to obtain their learner's licences while still at school.
08 th – 10 th June 2015	The Department shares public transport provision progress at the UITP congress.	<p>The MEC of the Department of Roads and Transport, Dr Ismail Vadi, other delegates from the Department and the Department's Public Entity, Gautrain Management Agency (GMA), attended the 61st UITP World Congress and Exhibition that was held in Milan, Italy.</p> <p>The topic presented by the Department was: "Making Cities more competitive and attractive: the economic case for public transport." The presentation outlined lessons learnt from the implementation of the Rapid Rail system and demonstrated the economic spin-offs of it such as a 50-90% increase in property value of the Gautrain project. It also emphasised five critical factors that are necessary to make public transport work: planning, leadership, political will, funding and absolute transparency.</p>

17 th June 2015	The official launch of the rehabilitation of Cedar Road in Fourways, Johannesburg.	<p>The MEC of the Department of Roads and Transport officially launched the rehabilitation of Cedar Road in Fourways, Johannesburg.</p> <p>The project's objective is to upgrade both Cedar Road North and South into a dual carriageway and improve its pavement life from Valley to Runnymede Roads. It will also accommodate forms of Non-Motorised Transport (NMT) such as cycling and walking.</p>
7 th July 2015	Official opening of Road P186/1 (N12)	<p>The MEC of the Department of Roads and Transport officially opened the P186/1 (N12), one of a number of road projects that was completed on time and within budget with a saving of approximately R15 million. The cost of the first phase of the N12 freeway upgrade was budgeted at R100 million and took a year to complete. The rehabilitated portion stretches from Eldorado Park to Zuurbekom, south of Johannesburg, and provides a link between the Gauteng and North West Provinces.</p> <p>Phase two, approximately 45 kilometres of the project will be undertaken in the 2016/2017 financial year.</p>
15 th July 2015	Launch of the upgrade of the N14 freeway from Krugersdorp to Pretoria	<p>The Gauteng Premier and the MEC of the Department of Roads and Transport launched a R295 million project to upgrade the N14 freeway from Krugersdorp to Pretoria. "The road has degraded over the years and needs urgent rehabilitation. We have to upgrade the N14 as it is a critical arterial route from the southern and western regions of Gauteng to the north, which is used for daily workplace travelling and freight transport."</p>
25 th July 2015	Launch of the William Nicol Drive upgrade	<p>The Gauteng Premier and the MEC of the Department of Roads and Transport officially opened the newly upgraded William Nicol Drive.</p> <p>The R420 million construction project is part of the public-private partnership initiative with the Steyn City development in Fourways, Johannesburg.</p> <p>The upgrade seeks to improve road user mobility by increasing roadway capacity. The upgrade will also improve pedestrian traffic safety while providing busses and taxi with parking bays located at key intersections.</p>
21 st August 2015	Handing over of bicycles to Soweto learners	<p>As part of its NMT strategy, the Department handed over a total of 294 bicycles to Soweto learners. This was made possible by the partnership between the CoJ, Dimension Data and Qhubeka.</p> <p>Learners from Noordgesig Secondary School, Orlando High School and Bona Comprehensive School in Orlando, as well as the Community Policing Forum (CPF) were among the recipients.</p> <p>The beneficiaries are from disadvantaged areas and the donation is expected to assist in combating frequent absenteeism and exhaustion experienced by walking long distances.</p>

30 th September 2015	Provincial launch of the 2015 October Transport Month campaign	<p>The provincial October Transport Month Campaign launch was held at the Gautrain Station in Sandton, Johannesburg. The theme for the month's campaign was: "Together, Moving the Gauteng City-Region Forward" and it sought to create awareness around the Department's mandate to provide quality and improved mobility of people through the building and maintenance of roads, public transport infrastructure and NMT facilities.</p> <p>The theme also supports the Provincial Government's Transformation, Modernisation and Re-industrialisation (TMR) interventions.</p>
25 th & 30 th October 2015	The Department wins prestigious awards for the RIMS	<p>The Gauteng Department of Roads and Transport (GDRT) won the prestigious ICT Service Delivery Transformation Award – Provincial Government plus prize money of R100, 000.00 for its RIMS at the inaugural Public ICT Awards. It further garnered the Innovative Enhancement of Internal Systems of Government plus prize money of R10, 000.00 at the annual Centre for Public Sector Innovation (CPSI) awards. RIMS was instituted to ensure an efficient and effective revenue management for the provincial government. This is the only financial revenue system that has been developed in South Africa to deal with complex Road Traffic Act fees in the licensing environment.</p>
27 th October 2015	New Sebokeng Driver License Testing Centre (DLTC) Sod-turning ceremony	<p>A new state of the art Driver License Testing Centre for the Sebokeng area is being constructed to improve access to services and create job opportunities. The Sod-turning ceremony for the DLTC was attended by the MECs of the Departments of Roads and Transport and Infrastructure Development.</p>
09 th November 2015	R25 road officially reopened	<p>The Department officially re-opened a 42 km stretch of the R25 that has been fully rehabilitated at a cost of R193 million.</p> <p>The reconstructed provincial road is a single carriageway linking Bronkhorstspuit in Gauteng to Groblersdal in Limpopo province.</p>
24 th November 2015	Department wins the SAIGA Reporting Award	<p>The GDRT walked away with the prestigious Reporting Award - for provincial departments in the province of Gauteng at the fourteenth Annual Public Sector Reporting Awards 2015 of the Southern African Institute of Government Auditors (SAIGA). This achievement is a demonstration of the Department's sound management of Revenue, Expenditure, Assets and Liabilities (REAL), as well as its commitment towards ensuring accountability and transparency.</p>
09 th - 11 th March 2016	International Conference on Provincial Transport Authority	<p>A three-day consultative International Conference on the concept of Transport Authority for the Gauteng City Region was held in Boksburg.</p> <p>The theme of the conference was: "Transition towards a transport authority: Gauteng a sustainable city region on the move." International, national and provincial stakeholders in the public transport sector; academia and civil society attended the conference. This conference contributed towards providing an in-depth understanding of the development and sustainability of a Transport Authority.</p>

Overview of the financial results of the Department

Departmental receipts

Departmental receipts	2015/2016			2014/2015		
	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	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-
Motor vehicle licences	2 987 393	3 217 032	-229 639	2 743 798	2 949 662	-205 864
Sale of goods and services other than capital assets	67 993	54 970	13 023	63 191	53 937	9 254
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	50	61	-11	723	28	695
Sale of capital assets	-	4 491	-4 491	-	-	-
Financial transactions in assets and liabilities	1 500	1 673	-173	4 838	2 236	2 603
TOTAL	3 056 936	3 278 227	-221 291	2 812 550	3 005 863	-192 312

The Department is the main contributor towards own revenue in the Gauteng Provincial Government (GPG). This revenue is generated through tax receipts which comprise motor vehicle registration and licensing fees. The revenue collected over the past three financial years grew slightly. The tariffs increased each year which resulted in the Department collecting substantially more revenue.

The Department derives its own revenue from tax receipts which comprise motor vehicle licences; 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 the most critical and main source of revenue for the Department. The Department is the major contributor to the Provincial Revenue Fund (PRF) and as a result accounts for over half of GPG's own revenue. In generating this revenue, the Department is also liable for direct charges, which include 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	2015/2016			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
1.Administration	294 305	239 312	55 093	293 352	271 476	21 876
2.Transport Infrastructure	2 215 605	2 177 112	38 493	2 144 556	2 096 198	48 358
3.Transport Operations	2 141 482	2 019 168	122 314	2 040 925	1 986 669	54 256
4.Transport Regulation	268 758	262 357	6 401	242 835	205 994	36 841
5. Gautrain	1 561 451	1 561 451	-	1 311 748	1 311 748	-
TOTAL	6 481 601	6 259 301	222 300	6 033 416	5 872 084	161 332

The table above indicates expenditure outcomes for each of the departmental programmes. The Department underspent the budget in 2014/2015 by R161 million and in 2015/2016 by R222 million, both of which constitute 3% of the allocated budget. The underspending within Administration was mainly as a result of the delays in the implementation of a comprehensive HVAC system for the department and delays in the designs for the refurbishment of the Zwartkop Training Centre, as well as cost containment measures for some of the expenditure items.

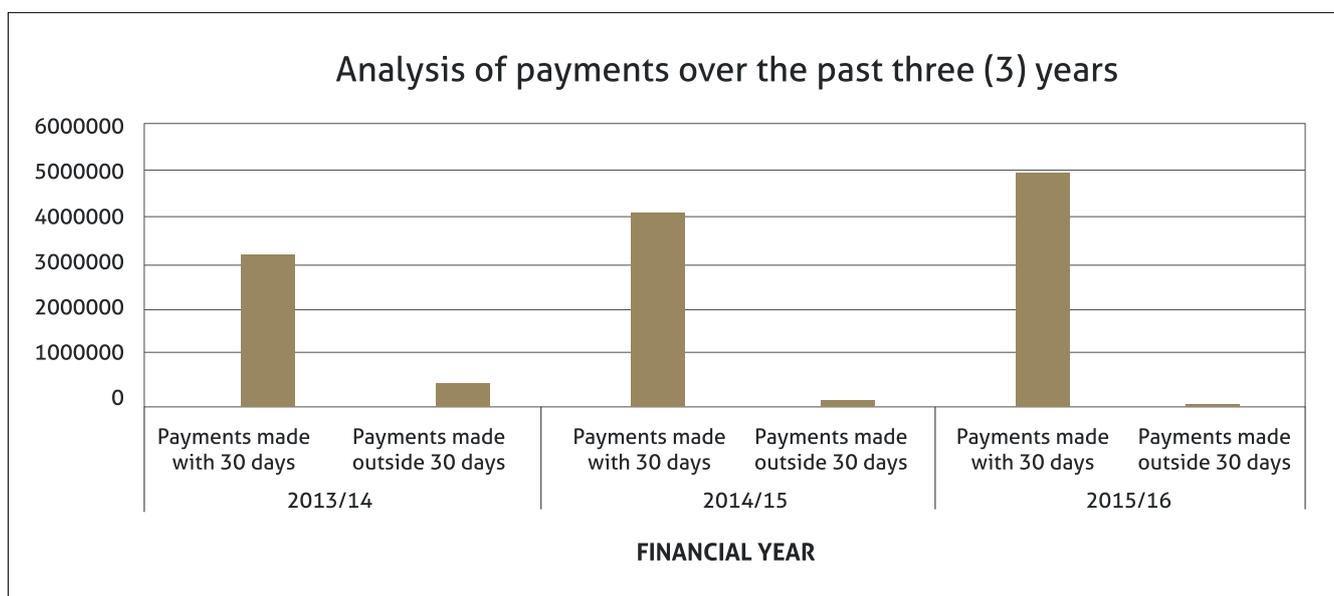
The Transport Operations Programme also underspent mainly as a result of the Public Transport Operations Grant (PTOG) and Northwest (NW) Star allocations that were not depleted during the year. The unspent amounts within the PTOG have been requested as a rollover and the underspending for the NW Star was mainly for the plans of the West Rand bus service that were put on hold in order to finalise discussions. The infrastructure projects within this programme; namely the Integrated Public Transport Network (IPTN) and NMT projects; were marked by notable underspending as a result of delays in tender processes.

Payments statistics for the past three years

Effective cash management within the public sector, amongst others ensures value for money, paying service providers timeously, and efficient service delivery to the citizens. Through effective cash management and innovation, the Department managed to pay 99% of service providers within thirty (30) days as stipulated by Treasury Regulations. The Department has seen a 3% increase in compliance rate in comparison to the 2014/2015 financial year. In retrospect this has ensured that projects are completed within the allocated timeframe or earlier.

The below table depicts a graphical presentation and analysis of payments made within 30 days and payments made outside of 30 days:

FINANCIAL YEAR					
2013/2014		2014/2015		2015/2016	
Payments made within 30 days	Payments made outside of 30 days	Payments made within 30 days	Payments made outside of 30 days	Payments made within 30 days	Payments made outside of 30 days
000					
3 173 546	481 992	4 138 230	184 758	4 921 590	51 479
87%	13%	96%	4%	99%	1%



Virements /rollovers

The Department has requested a rollover of R29.97 million within the PTOG to provide the operators with temporary relief to cover the lower than agreed to escalations.

The Department has also requested 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 main items and programmes and 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	Economic Classification/Item	Amount R'000
Administration	Corporate services	Goods and services	16 840
Transport operations	Public transport	Compensation of employees Goods and services Payment for capital assets	7 282
Transport regulation	Operating licensing and permits	Compensation of employees	2 340
TOTAL			26 462

Virements To			
Programme	Sub-programme	Economic Classification/Item	Amount R'000
Administration	Corporate services	Compensation of employees	2 035
Transport infrastructure	Maintenance and programme support	Compensation of employees Payment for financial assets	17 920
Transport regulation	Transport administration and licensing	Payment for capital assets	3 187
Transport regulation	Operating licensing and permits	Goods and services	3 320
TOTAL			26 462

Future plans of the Department

In the pursuance of its long term strategic vision of **"A modern integrated, efficient and sustainable transport and road infrastructure system in Gauteng"** the Department will be focusing on the following future plans.

Gauteng Transport Authority

A key intervention and game-changer for the Province, is the fact that the Department is geared towards transformation to a fully-fledged transport authority. The conceptualisation and creation of such a public transport authority is a critical step towards establishing Gauteng as a City-Region.

The first phase was the establishment of a Transport Commission with the key stakeholders, the Metros and District Municipalities, as well as other relevant role players. This was accomplished in 2014 and set the journey towards a fully established Transport Authority in motion.

Ever since, the Department has initiated a process to formally establish the Transport Authority. In collaboration with the municipalities, the Department has formulated legislative proposals to be considered by the Portfolio Committee on Transport during the public hearings for inclusion in the National Land Transport Act Amendment Bill, which has been tabled in parliament. Together with the Office of the Premier, we are planning to conclude a Founding Agreement on the establishment of the Gauteng Transport Authority with the municipalities.

Integrated Fare Management

Another key deliverable of Gauteng province's ITMP25, is to develop a fully integrated Automatic Fare Collection (AFC) System. The system will enable an integrated customer-centric public transport system that promotes sustainable economic growth and socially includes all communities.

The system will also enable the following:

- Interoperability between public transport entities;
- The protection of security requirements and collection of revenue;
- Europay, MasterCard and Visa (EMV) card capabilities;
- A "Back Office Centric" solution to be developed for Gauteng-wide ticketing;
- Mobile and near field communication capabilities;
- A 'bring your own device' culture;
- Development of a solution that will allow web inter-phases;
- Compliance to DoT interoperable regulations and
- Possibly web and mobile top-up capability.

The province of Gauteng aspires to enable EMV compliance on all transport modes in the immediate future. The EMV compliance will enable all modes of transport to offer a prepaid product that allows for interoperability and integration. This will be the first step towards a fully integrated AFC system.

To enable the implementation of this programme, the GDRT has set up an AFC integration JPO (Joint Project Office) under the reporting lines of the Gauteng Transport Commission (GTC).

The JPO has conceptualised a phased strategy to roll out the programme, with deliverables as follows:

- Phase 1A: stabilising the current AFC systems and EMV compliance – 2016;
- Phase 1B: interoperability through multimedia acceptance – 2017;
- Phase 2A: review and alignment of the business rules of the different public transport operators and identification of the gaps - 2017;
- Phase 2B: development of an integration platform and pilot - 2018;
- Phase 3A: implementation of centralised revenue management - 2019; and
- Phase 3B: implementation of fully integrated system - 2019.

Other Intelligent Transport Systems (ITS) will also be utilised parallel to the above-mentioned phases, to achieve the following:

- A Gauteng-wide Applications Programming Interface (API) to streamline integration of the systems - 2016;
- A commuter information website which will be powered by the API - 2016;
- A commuter APP that will also be powered by the API - 2016; and
- A commuter information centre - 2017.

Gautrain Expansion – Phase 2

The next phase of the expansion of the Gautrain Rapid Rail Link commenced in the 2014/2015 financial year. This expansion project will radically transform the spatial configuration of major parts of the Gauteng City-Region. It will seek to connect the Western, Northern and Southern Corridors to the Central Corridor.

Building a new highway

There is a growing need to build new freeways in Gauteng. The last time a highway was built in our province was in 1982. In spite of the Gauteng Freeway Improvement Project (GFIP) led by SANRAL, our freeways remain congested and at times gridlocked, particularly during peak hours. The ITMP25 projected that our car population will increase from 3.5 million in 2011 to 6.5 million by 2037. To date, we have a car population of 4.5 million vehicles in Gauteng. The increasing number of cars in our province, and the consequent traffic congestion, comes at huge social and economic costs to our people as we spend many unproductive hours in traffic. It also contributes to the high cost of doing business in Gauteng. It is this costly reality that we must address more urgently.

The Department is busy with initial planning to build the 35km long PWV15 to support the development of an Aerotropolis at the O.R. Tambo International Airport (ORTIA). The construction of the PWV15 must be seen as a strategic project that will have multiple benefits for the Eastern Corridor. Apart from alleviating traffic congestion on the existing road network, it will accelerate the development of the Aerotropolis and enhance the adjacent land value along the route for housing, industrial and commercial developments. It will also have the following advantages:

- Serve as a catalyst to modernise the road network in the Eastern Corridor;
- Unlock economic opportunities through the revitalisation of the manufacturing sector in Ekurhuleni;
- Allow for the free flow of freight traffic from the N3 to the N1 freeways; and
- Greatly relieve traffic pressure at the Gillooly's Interchange, which was superbly upgraded by SANRAL through the GFIP.

Funding for the project is currently being prioritised.

Public Private Partnerships

The Department has engaged in only one registered Public Private Partnership (PPP) agreement which is the Gautrain Rapid Rail Link Concession Agreement. The PPP concession is with the Bombela Consortium.

In terms of the concession agreement the Bombela Consortium is responsible for the design, construction, testing, commissioning, operation and maintenance of the Gautrain project, subject to the stipulated terms and conditions. The completed Gautrain project was transferred to the Gautrain Management Agency (GMA) in the 2012/2013 financial year. The concession agreement with Bombela Consortium is currently in its fourth year in terms of the operational and maintenance phase.

The Department did not enter into any new PPP agreements for the financial year under review.

Discontinued activities / activities to be discontinued

None.

New or proposed activities

None.

Supply chain management

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

The Department continuously makes significant efforts to prevent any irregular expenditure. To this end, all officials involved in the supply chain management (SCM) processes have participated in continuous professional training and development. In addition, all procurement processes have been streamlined into a SCM policy which includes bid committee charters to address all identified weaknesses and areas of risk within the Department's procurement environment. The procurement directorate has implemented internal control checklists to help our officials make sure that we comply with all the applicable laws and to ensure that procurement processes are fair, equitable and transparent. The Department has also learnt valuable lessons from the new "Open Tender" process that has made a notable contribution towards the accomplishment of a clean administration.

However, the Department still has to deal with the challenge of the old bus subsidy and departmental security contracts. The associated expenditure relating to these items are still recognised as irregular expenditure, pending the outcome of decisions that are not solely within our control.

The procurement unit within the Department has been actively driving procurement processes that facilitate the successful implementation of all major projects. Capacity, skills and competency challenges with the procurement directorate remains a threat to the timeous processing and awarding of tenders and orders. This issue will however soon be addressed through the adoption of the Infrastructure Delivery Management System (IDMS). The IDMS is based on the knowledge that a well-functioning procurement unit is critical to the infrastructure delivery process and therefore provides for increased procurement capacity. As such, the IDMS will assist the Department in overcoming the competency and capacity challenges that are currently being experienced within SCM. The adoption of this model will pave the way for government's long term plans of professionalising the SCM function.

Gifts and Donations received in kind from non-related parties

A register for gifts and donations is maintained within the Department. Two major donations were received in the 2015/16 financial year upon completion of K46 (Phase 1) and Cedar Road. Steyn City Properties (Pty) Ltd made contributions towards the successful completion of both projects.

Gifts and donations made in kind to the Department and its officials are listed in the table below.

Name of Organisation	Nature of Gift, Donation or Sponsorship	2015/2016	2014/2015
		R'000	R'000
Received in kind			
Zamanguni Company	Sponsorship for mugs and cooler bags	-	1
Smec	Soccer tickets	-	6
Dainfern Golf and Country Estate	Sponsorship for food and beverages (William Nicol 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	Sod-turning ceremony of the N12 (Refreshments)	-	6
Kaya FM and Oubaai Resort	Luxury weekend getaway	-	28
Volkswagen SA	V. Women's Day Luncheon	-	1
Sisonke Facilities	Sponsorship	-	10

Name of Organisation	Nature of Gift, Donation or Sponsorship	2015/2016	2014/2015
		R'000	R'000
Received in kind			
Proplan Construction	Sponsorship	-	10
Nondo Trading	Sponsorship	-	7
Vaal Wits Taxi Association	3 x Wallets with R100.00 each		
WSP Group Africa	15 x Glass & Jar sets, valued at R72.00 each	2	-
Worlds View Academy	Training Programme	2	-
Steyn City Properties	Contribution towards the construction of Road K46 (William Nicol) – Phase 1	137 324	-
Steyn City Properties	Contribution towards rehabilitation of Cedar Road	9 023	-
TOTAL		146 351	86

Exemptions and deviations received from the National Treasury

None.

Events after the reporting date

Management is not aware of any material matter or circumstance currently arising between the financial yearend date and the reporting date.

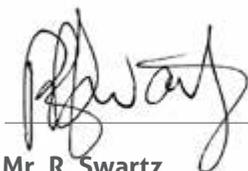
Other

None.

Acknowledgement/s or Appreciation

Acknowledgement and appreciation is extended to all stakeholders from both public and private sectors who graciously engaged with the Department on its service delivery priorities. Many of the achievements for the year are due to the strong partnerships that exist and a combined dedication to service delivery. The professionalism and dedication of the Department's hard working officials is evident in the successes we achieved, as well as the service awards that were won. I therefore extend my sincere appreciation to our officials for their continuous efforts towards excellence in service delivery.

Approval and sign off



Mr. R. Swartz

Accounting Officer

Department of Roads and Transport

Date: 31/05/2016

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

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

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

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

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

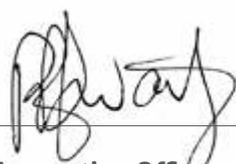
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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, performance information, human resources information and the financial affairs of the Department for the financial year that ended 31 March 2016.

Yours faithfully



Accounting Officer

Mr. R. Swartz

Date: 31/05/2016

6. STRATEGIC OVERVIEW

6.1 Vision

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

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.

6.3 Values

The Department of Roads and Transport is guided by the following values:

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 a 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 quick to respond to needs of the citizens.

7. LEGISLATIVE AND OTHER MANDATES

The Republic of South Africa Constitution (1996) grants all provinces with concurrent competencies. The Department's mandate is derived by the following list of national and provincial laws and policies.

National Policy and Legislative Mandates

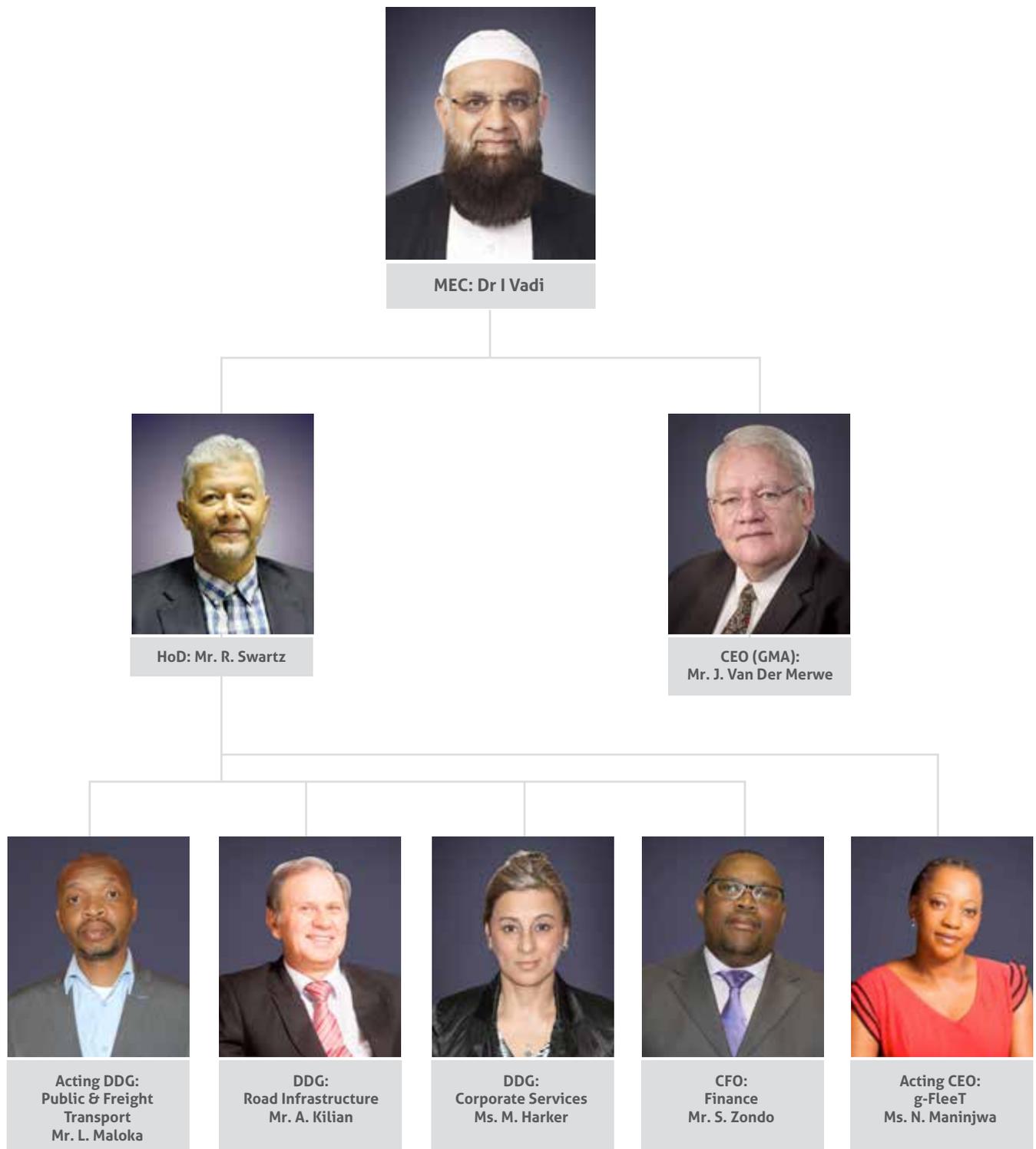
Legislation	Act / Policy
Administrative Adjudication of Road Traffic Offences Act	Act 46 of 1998
Advertising on Roads and Ribbon Development Act	Act 21 of 1940
Construction Industry Development Board Act	Act 38 of 2000
Creating an Enabling Environment for Reconstruction and Development in the Construction 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	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 (PFMA)	Act 1 of 1999
Road Traffic Act	Act 29 of 1989
Road Traffic Management Corporation Act	Act 20 of 1999
Constitution of the Republic of South Africa	1996
Promotion of Administrative Justice Act	Act 3 of 2000
Promotion of Access to Information Act	Act 2 of 2000
Labour Relations Act	Act 66 of 1995
Public Service Act	Act 103 of 1994
Public Administration Act	Act 11 of 2014
Employment Equity Act	Act 55 of 1998
Basic Conditions of Employment Act	Act 75 of 1997
Broad Based Black Economic Empowerment Act	Act 53 of 2003
Preferential Procurement Policy Framework	Act 5 of 2000
Code of Good Administrative Conduct Policy	
Protection of Personal Information Act	Act 4 of 2013

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
Gauteng Spatial Development Framework	
Gauteng Land Administrative Act	Act 11 of 1996
Gauteng Scrutiny of Subordinate Legislation	Act 5 of 2008

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

Gautrain Management Agency

The Gautrain Management Agency (GMA) is a schedule 3C public entity that is under the oversight of the MEC of the Department of 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.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
GMA	<p>The GMA was established in terms of the GMA Act and listed under Schedule 3 (c) of the PFMA as a Provincial Public Entity.</p> <p>National Policy and Legislative Mandates:</p> <ul style="list-style-type: none"> · PFMA · Environmental Conservation Act No. 73 of 1989 · National Railway Safety Regulator Act No. 16 of 2002 · National Treasury Regulations · Division of Revenue Act · 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 	The GMA receives its MTEF funds through the Department's vote.	The main objective of the GMA is to manage, coordinate and oversee the Gautrain Rapid Rail Link Project.

The Gautrain Rapid Rail Link is a state-of-the-art rapid rail network for Gauteng with two separate services linking Tshwane (Pretoria) and Johannesburg, ORTIA and Sandton. There are ten stations, linked by some 80 kilometres of rail, along the entire route.

Since its establishment, the Gautrain has contributed R20 billion to the economy of Gauteng City-Region. During its construction, 122, 000 jobs were created and 600 more were created during its operations. The 2015/2016 financial year saw an overall increase of 3,7% in the number of passenger trips from the previous financial year with the number of trips reaching 15,465,526 for the year. Contributing to this growth were the General Passenger Service (GPS) at 3,9% annual growth and the Airport Service with an annual growth of 2,3%. The average number of daily passenger trips on the GPS for the year was 49,177 with most days in the latter part of the year reaching over 60,000 passenger trips per day. To accommodate the number of passengers using the trains in peak periods, particularly in the mornings, additional eight-car trains were deployed and a 10-minute timetable was introduced in June 2015. The practical implication is that the current train fleet is fully deployed with only standby sets available in cases of emergency. The acquisition of additional trains and expanding the system to run shorter headways has become a priority.

Please refer to the GMA annual report for a full review of its performance for the 2015/2016 financial year.

g-FleeT Management

g-FleeT Management is a trading entity of the GDRT and is under the oversight of the Head of Department. The entity is managed by the Chief Executive Officer (CEO).

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
g-FleeT Management	<ul style="list-style-type: none"> · 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. 	g-FleeT Management is a trading entity of the Department and is formally known as the government motor-vehicle unit.	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 and related transport.

Please refer to the Trading Entity of the Department section of this Annual Report for a full review of its performance for the 2015/2016 financial year.

10. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

Refer to page 140, Auditor General's Report.



B:

PERFORMANCE INFORMATION

1. OVERVIEW OF DEPARTMENTAL PERFORMANCE

1.1 Service Delivery Environment

Building the Gauteng Freight Hubs - Gauteng Freight Logistics Hubs

Freight transport is crucial for the economic growth of Gauteng and the country, as it directly influences re-industrialisation and development of the province. The efficiency of the freight transport system furthermore impacts on transportation cost, which in turn affects operating profits or losses.

In alignment with the National Development Plan (NDP), the Gauteng Freight Implementation strategy and the ITMP25 Freight Transport Planning initiative, the Department recognised the need to incorporate freight transportation planning into the province's transportation planning process. The aim is to strengthen the Intermodal Freight Hubs, to create opportunity for re-industrialisation and support economic transformation.

It is also the role of the Department to coordinate the Gauteng Province's interest in the Special Infrastructure Project (SIP2) that forms part of the KZN Free State Gauteng Development Corridor and includes the development and establishment of the City Deep and Tambo Springs freight hubs. The Department, in collaboration with the municipalities, is implementing upgrades around prioritised freight hubs which are Tambo Springs and City Deep.

• Tambo Springs

Tambo Springs is located in the Gauteng Kwa-Zulu Natal Corridor. The report for the Environmental Screening Assessment proposed a re-alignment of a section of the planned PWV13 Road reserve (Volume 2). The road network analysis on the vicinity of Tambo Springs and the re-alignment of PWV13 has been finalised. Furthermore, re-negotiations on the purchase of the 35.5 hectares of land required for the Arrival and Departure Yard between Transnet and Tambo Springs Development Company (TSDC) are in progress. An alternative approach could be for Transnet to lease the land. The Arrival and Departure Yard designs are ongoing.

• City Deep

The City Deep Freight and Logistics hub that was established in the 1920s - is one of the most important and strategic facilities in the movement and transfer of goods between transport modes. The development of this hub is therefore a crucial part of the freight management strategy of the province. The following projects are being rolled out as part of the City Deep freight hub programme.

- **Project B (Widening of Rosherville Road to three lanes and an additional upgrade of the truck stop and holding area).** The progress on construction is at 20%.
- **Project C (The existing railroad bridge in the vicinity of Vickers Road needs to be widened to accommodate the proposed widening of Rosherville Road).** The progress on construction of Rosherville Rail Bridge is at 15%.
- **Project D (Extension of Bonsmara Road to Heidelberg Road).** The progress of construction is at 10%.
- **Project E (Construction of Cleveland Road Bridge).** The detailed design is in progress.
- **Project F (Extension of Houer Road over undeveloped land south of the Fresh Produce Market up to Vickers Road).** The feasibility investigation is in progress.
- **Project G (Construction of westerly ramps on N17 interchanges at Heidelberg and Vickers Roads. Construction of ramps might improve access to N17 from City Deep and Kascon, and reduce traffic congestion on M2).** The feasibility study is currently being reviewed.

Road infrastructure that contributes to increased socio-economic growth and accessibility to communities.

10 DESIGNS COMPLETED

- P126-1: Ruimsig between Ontdekkers Road and P16-1 (Tarlton) (East to West corridor);
- P241/D405: Lenasia to Swartkoppies Ave, Alberton (East to West corridor);
- K111: between D51 (Allandale Road) and K27 (R562) in the North (7,8km) (North to South corridor);
- D1884: reseal of Heidelberg Road between D478 and P243-1 (North to South corridor);
- P39-1 Phase 3: between N14 to Erasmia (North to South corridor);
- P249-1 Phase 2: (8,4km) (East to West corridor);
- D483: between Bapsfontein and Cullinan P6-1 (North to South corridor);
- P73-1 (Golden Highway): N12 to Eldorado Park to Ennerdale: (N12 (P186-1) to R558 (P219-1) (North to South corridor); and
- P41-1 (R42): between Nigel and Springs (East to West corridor).

Additional Design

- P103/1: (R512) Malibongwe: North West of Johannesburg (between N14 and N1) (East to West corridor).

ROAD CONSTRUCTION

Completed Upgrading Project

- **P4-1(Nederveen Rd (R103) from Leondale Forsdick Rd (R554) to Barry Marais Rd (R21)**
P4/1 involves the conversion of 8.2 km of existing single carriageway to a dual carriageway. The project aims to improve accessibility for future developments in the Vosloorus, Leondale and Southern Ekurhuleni areas. It provides an alternative link between Johannesburg and Heidelberg, as well as the South East areas of the CoJ. The road is practically completed.

Completed rehabilitated roads

- Rehabilitation of Road P39/1 between Laudium (Erasmia) and Krugersdorp (Diepsloot);
- P3-6: Rehabilitation of Road P3-6 (N12) from P111-1 (R50) to North West border;
- Rehabilitation of Road P6/1 (R25) Kempton Park to Bronkhorstspruit;
- D1027: Rehabilitation and upgrade of Road D1027 (Cedar Rd); and
- The Rehabilitation of Road P186/1 (Approximately 9,54 km)

Modernising Public Transport services to be customer orientated.

Driver Licence Testing Centre

The main objectives of the Department's DLTC modernisation strategy are to ensure a customer-centric and service orientated approach that improves access to services for the communities. The strategy focuses on the improvement of turnaround times and the implementation of best practice business processes such as queue management and biometric systems.

- **Temba DLTC**

The Department initiated a programme to upgrade infrastructure at the Temba DLTC which is located in the Northern corridor. The project entailed renovations and an addition of a new wing to accommodate the DLTC and public parking. The project was completed in the financial year under review and will be practically implemented as soon as the eNatis system is installed.

Issuing of Public Transport Licences

Operating Licences

The Department issued a total of 10 011 permits/operating licences for all modes and 6 269 operating licences through the permit conversion process for all public transport modes.

Registration and Monitoring

The registration process' purpose is to ensure that only legally registered public transport operators and associations operate on allocated routes and ranks. 15 Minibus Taxis were fully registered and 2 290 Non-operators of Minibus Taxis were registered and legalised.

- **Audited routes**

The verification and auditing of routes ensure that public transport operators and associations conduct their operations on their allocated and registered routes in accordance with the conditions stipulated on their Operating Licences. A total of 790 routes were audited and verified.

Service Delivery Challenges

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

The Department has experienced delays in relocation of services by Rand Water, Eskom and Telkom within roads reserves which in turn resulted in delays in the completion of infrastructure projects. Applications for removal of services to be initiated during the design phase as soon as consultants have identified services at detailed design stage.

The Department is experiencing a shortage of engineers that are registered with ECSA to undertake the technical work on infrastructure projects. Interviews for critical posts are being conducted and suitable candidates will possibly be appointed in the posts. Some posts need to be advertised again.

Service Delivery Improvement Plan

The Department has completed a service delivery improvement plan. The table below outlines the plan and highlights the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Testing and issuance of driver and learner licences.	Aspirant drivers.	Testing and issuance of learner licences completed within 2 hours.	Testing and issuance of learner licences completed within 90 minutes.	Testing and issuance of learner licences completed within 2 hours.
		Testing and issuance of a driver's licence (temporary) completed within 1 and half hours.	Testing and issuance of a driver's licence (temporary) completed within 1 hour and 20 minutes.	In the majority of cases licences are issued within the standard. However there were also instances where driver's licences were issued a day or more after the test.
		The driver's licence card should be ready for collection within 4 weeks.	The driver's licence card should be ready for collection within 3 weeks.	Issued within standard, but between April and July there were huge delays in terms of card collection due to the change over from one service provider to another.
Testing of vehicles and issuance of roadworthy certificates.	Vehicle owners and road users.	Testing of motor vehicles and issuance of roadworthy certificates completed within 1 hour.	Currently in the process to develop service standards together with the National Department of Transport (NDoT). Testing of a vehicle for roadworthy varies in terms of the size of the vehicle.	Testing of motor vehicles and issuance of roadworthy certificates vary, but on average it takes a maximum of 1 hour.
Abnormal and heavy vehicle travel demand service.	Road freight industry, engineers, law enforcement agencies, infrastructure planners and general public.	1 work day per permit.	Two work days per permit.	1 work day per permit.
Road traffic travel demand information service.	Property development industry, Infrastructure development industry and public.	Survey provincial annual road traffic.	Management of annual provincial road traffic data.	Management of annual provincial road traffic data.

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

Current/actual arrangements	Desired arrangements	Actual achievements
Forums.	Establishment of committees.	Held consultations through the Gauteng Freight Forum, Gauteng Rail Committee and The Integrated Transport Plan Committee to address transport needs in Gauteng.
Social Facilitation.	Stakeholder Consultation.	Informed customers, community members and other staff members.
Media Networking Sessions.	Informed public.	Improved image and informed public.
Publications including newsletters.	Informed public.	Informed internal and external stakeholders.
Infrastructure planning.	Informed infrastructure planners.	Providing updated and accurate provincial traffic data.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Monthly, Quarterly and Annual Report.	Intranet, Website and Database.	Informed internal and external stakeholders.
Brochures, Posters, Newsletters and leaflets.	Intranet, Website and Database.	Informed internal and external stakeholders.

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Telephone	All complaints received to be handled.	All complaints received were handled.
E-mail	All complaints received to be handled.	All complaints received were handled.
Letters	All complaints received to be handled.	All complaints received were handled.
Walk-in	All complaints received to be handled.	All complaints received were handled.

1.2 Organisational Environment

Meetings	100% satisfied clients.	100% satisfied clients.
Social Media	All complaints received to be handled.	All complaints received were handled.

1.2.1 Department of Roads and Transport Programme Structure

The Department's programme structure is defined by National Treasury. The programme structure encompasses four programmes together with its respective sub-programmes. The table below provides a description of the programme structure.

Programme	Sub-programme
Administration	Office of the MEC
	Management of the Department
	Corporate Support
	Departmental Strategy
Transport Infrastructure	Infrastructure Planning
	Infrastructure Design
	Construction
	Maintenance
	Programme Support Infrastructure
Transport Operations	Public Transport Services
	Programme Support Operations
Transport Regulation	Transport Administration and Licensing
	Operator License and Permits

Organisational Structure

The organisational structure of the Department was approved by the Executive Authority on the 31st of October 2011 and subsequently ratified by the Minister of Public Service and Administration on the 5th of November 2012. The approved organisational structure was implemented on PERSAL on the 1st of September 2013. This in turn made it possible to create stability through permanent appointment of staff in their respective positions and thus eradicating uncertainty amongst employees.

This structure is organised as follows: the Executive Authority of the MEC of the Department of Roads and Transport, the Accounting Officer of the Department, who is the Head of Department, is supported by four Deputy Director Generals, each of whom holds a specific branch portfolio. These branches include Roads, Transport, Corporate Services and Finance. Each of the branches is supported by Chief Departments, which in turn manage various Departments.

The current organisational structure however, still needs to be realigned to the new 2014 – 2019 5-year strategy of the Department to ensure that it optimally supports the implementation of the strategy. The alignment of the structure to the strategy will ultimately help to drive and support the strategic deliverables of the NDP and the ITMP25.

During the financial year under review the Department has appointed the following senior managers; Ms. Marcia Harker as the DDG of Corporate Services, Ms. Ruth Morena as Chief Director of Roads Construction, Mr. Victor Phala as Chief Director of Roads Maintenance and Mr Glad Taunyane as the Director of Human Resource Planning and Administration. These appointments seek to ensure optimal service delivery within the Department.

The Department imposed a technical moratorium in order to align three (3) categories of employees who were placed out of adjustment. The process commenced with the absorption of contract workers, placement of out of adjustment Senior Management Service (SMS) members and advertising of critical posts to provide for the deliverables of the 2014 - 2019 Strategic Plan. This is however an ongoing process that will continue in the 2016/2017 financial year.

One of the challenges experienced by the organisation was a labour strike. Employees went on an illegal and unprotected strike from 9 - 14 March 2016. The strike was aborted after an interdict was granted against striking personnel. The strike had a negative impact on public service delivery. Some critical matters and activities could not be performed.

1.3 Key policy developments and legislative changes

Legislation

The Department has promulgated the following legislation:

Motor Vehicle Licence 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 Licence Fees Regulations, 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 giving the general public 30 days to comment. The notice was tabled before the legislature as per the requirements of the Gauteng Scrutiny of Subordinate Legislation Act, 2008 (GSSLA) and approval was then received for the publication and implementation of it.

2. STRATEGIC OUTCOME ORIENTED GOALS

The Department has developed the following Outcome Orientated Goals to drive its strategic vision.

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 2055 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 stimulates 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 cycleways · 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	A modern, accountable and development oriented Department.
Goal Statement	A customer-centric organisation that is service oriented, accountable to stakeholders, compliant with regulatory frameworks and that has 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 performance management systems to deliver effective services · Automation of business processes to improve 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 · Create an external and internal regulatory environment

3. PERFORMANCE INFORMATION BY PROGRAMME

This section outlines the progress by the Department in the achievement of the Strategic Objectives as outlined in the Revised Annual Performance Plan 2015/2016.

3.1 Programme 1: Administration

Purpose

The purpose of the programme is to fulfil 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 the following sub-programmes:

List of Sub-Programmes

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

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic Objective 1: To achieve good governance and accountability in the management of state resources.

Obtain a Clean Audit

- **Open Tender Procurement**

The Department, in partnership with the Provincial Treasury, successfully implemented the open tender procurement system. The system focuses on all tenders above the R50 million threshold and allows members of the public to attend the final adjudication process. A critical element of the system is the fact that all stages of the tender process are subjected to independent probity audit processes. During the financial year under review, the Department used this system to successfully appoint contractors for various major projects, i.e. Cedar Road Phase 1 and the William Nicol Road Phase 2. The Department will continue to evaluate all open tenders through the open tender procurement system during the 2016/2017 financial year.

- **SCM Tenders**

The Department has been actively driving the procurement processes to ensure the successful implementation of all projects. Capacity challenges in tender management remains a risk to the timeous awarding of tenders. This will however be addressed through the adoption of the Infrastructure Delivery Management System (IDMS). The IDMS system will allow the Department to identify which infrastructure delivery processes will require increased procurement capacity.

- **Payment of all service providers within the required 30 day payment period**

The Department has successfully paid more than 98% of its service providers within the required 30 day period. Whilst this indicates major progress in the timeous payment of service providers, the Department still remains committed and focussed on paying all its service providers within 30 days. The timeous payment of all service providers is essential to ensure the sustained growth and development of SMMEs and entrepreneurs.

Strategic objectives

Programme Name: Administration					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Finance					
Provincial Indicators					
To achieve good governance and accountability in the management of state resources.	Unqualified audit report with reduced matters of non-compliance.	1 clean audit report.	0	1 clean audit report.	The Department received an unqualified report.
	Tolerable under-expenditure of 3% of the allocated budget.	Tolerable under-expenditure of 3% of the allocated budget.	Tolerable under-expenditure of 3% of the allocated budget.	-	-

Performance indicators

Programme / Sub-programme: Administration					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Finance					
Provincial Indicators					
Percentage of tenders awarded within 90 days.	77%	100%	50%	50%	Unanticipated high number of bids received for the advertised tenders.
Percentage of BBBEE expenditure awarded to HDIs.	98,07%	80%	104,31%	+24,31%	The exceeded performance is due to improvements in the Department's processes around submission of valid BBBEE certificates.
Percentage of BBBEE expenditure awarded to women.	20,58%	30%	14,75%	15,25%	Limited women ownership in construction and consulting engineering companies which represent a major portion of the Department's spend.

Percentage of BBBEE expenditure awarded to youth.	7,09%	10%	11,59%	+1,59%	The exceeded performance is due to improvements in the Department's processes around targeting youth owned companies.
Percentage of BBBEE expenditure awarded to PwD.	0,09%	5%	0,18%	4,82%	Limited PwD ownership in construction and consulting engineering companies which represent a major portion of the Department's spend.

Strategic Objective 2: To capacitate the organisation with the required competencies.

Human Capital Development

The Department aims to deliver on its mandate through improving the capacity of employees. A total of 1,269 employees were trained on various programmes.

Skills Development

Learnerships, apprenticeships, internships and bursaries are a pivotal to support Government's priority to address unemployment. These interventions play a significant role in assisting youth, women and PWD to up-skill for employability. It aims to improve the skills capacity of individuals by enhancing their career prospects and supporting the Department's mandate in building its skills levels in the identified technical areas. The Department appointed 68 interns and learners.

Zwartkop trained a total of 394 (259) employees. There were a total of six (262) youth learner training interventions on the following topics:

- Road Site Safety;
- Occupational Health and Safety and Personal Protective Equipment (OHS & PPE);
- Centre and Edge Line Marking;
- Tar Patching;
- Operate Moving Tractor; and
- Paint Road Symbols and Markers.

Bursaries awarded by the Department

The Department identified the need for a study assistance scheme to enhance and support skills development. A bursary policy was compiled that sets out to equitably distribute funds for the benefit of employees and the Department. The objectives of the policy are as follows:

- Provide assistance to deserving employees to further their education;
- Improve and enhance competencies and skills;
- Afford employees' access to education and development programmes; and
- Address skills shortages and promote an environment that supports life-long learning.

The Department awarded bursaries to twenty six (26) deserving internal staff members to help them further their studies across various fields, ranging from information systems and human resources to finance and administration. Twenty five (25) bursaries were also given to dedicated external students who are studying towards Engineering, Town & Regional Planning, Transport Planning, Accounting, LLB, IT and Real Estate qualifications at various institutions.

Facilities Management

Upgrades at Regional Offices

To maintain our immovable assets, optimise operational service delivery and provide a conducive working environment, the Department successfully upgraded the following regional offices: Derek Masoek; Benoni; Heidelberg; Xavier; Garankuwa; Koedoespoort; Derdepoort; Vereeniging; Krugersdorp and Bronkhorstspuit.

Development of a knowledge management portal

The development of a Knowledge Management (KM) portal is premised on the need to increase the overall efficiency and effectiveness of the Department by preserving and protecting its knowledge assets. The approach to the project is to develop a fully interactive KM portal that consists of an integrated set of knowledge-sharing and collaborative tools. This will allow for integration of the knowledge assets of the Department into a single, cohesive and highly customised interface. The Department developed the KM portal page, uploaded generic content on it and sent it to GDF for production. This is the final stage before it goes live.

Strategic objectives

Programme Name: Administration					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Corporate Services					
Provincial Indicators					
To capacitate the organisation with the required competencies.	*	Approved Departmental Human Resources Development (HRD) Implementation Plan.	Departmental HRD Plan approved and submitted.	-	-
	*	Job Access Strategic Framework Implementation Plan submitted to DPSA.	Job Access Strategic Framework Implementation Plan submitted to DPSA.	-	-
	*	Gender Equality Strategic Framework Implementation Plan.	Gender Equality Strategic Framework Implementation Plan submitted to DPSA.	-	-
	*	Approved Annual Human Resource Planning Implementation Report submitted to DPSA.	Approved Annual HRP Implementation Report completed.	-	-
*New indicator					

Performance indicators

Programme / Sub-programme: Administration					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Corporate Support					
Provincial Indicators					
Number of employees in designated categories that have undergone compulsory training programme.	1,633	800	1,269	+469	Internal mandatory training interventions and unplanned transversal training offered by Gauteng City Region Academy (GCRA).
Number of interns and learners	80	65	68	+3	High demand of interns in various departments.

Strategic Objective 3: To achieve an 80% Customer satisfaction level by 2019

To achieve an 80% customer satisfaction level by 2019, the Department is executing the following projects:

Integrated events management programme

The following table outlines priorities to roll out special/ programme specific events in partnership with municipalities and key strategic partners.

Project	Stakeholders
e-Government ICT Summit 0 - 3 November 2015	Office of the Premier and Department of e-Governance
Official opening of R25 9 November 2015	City of Tshwane and Ekurhuleni
Personalised and Special number plate activation 10; 16; 18 & 20 November 2015	Provincial DLTCs

- **October Transport Month**

October Transport Month is part of Provincial Government's Transformation, Modernisations and Re-industrialisation (TMR) interventions. In this month, emphasis is placed on road safety with the aim to produce more competent drivers, reduce road fatalities and ensure safe mobility. The theme for the 2015 October Transport Month was: "Transport, moving Gauteng City-Region Forward". The aim was to create awareness of the Department's mandate to provide improved mobility of goods and people. The following main projects were identified under the UN's Decade of Action 2020 Road Safety campaign:

- Provincial October Month Media Launch;
- Road Safety awareness campaign;
- Promotion of the use of public transport: Gautrain, buses and taxis; and
- Promotion of initiatives towards modernisation of public transport, taxi ranks and campus activities.

The table below illustrates projects that have been achieved in line with the October Transport Month:

Projects/Exhibitions Actual
<ul style="list-style-type: none"> · Eco-mobility World Festival 4th October 2015 · PRASA launch 5th October 2015 · Johannesburg Eco-mobility Dialogue 6th October 2015 · Eco-mobility dialogues 8th October 2015 · Eco-mobility International Press Conference 9th October 2015 · RTMC Road Safety Dinner 9th October 2015 · Freedom Ride 11th October 2015 · Steyn City cycling event 12th October 2015 · Public Transport Race 13th October 2015 · West Rand Taxi Rank Activation 14th October 2015
<p>Distributing information on the application processes for permits and promotion of road safety:</p> <ul style="list-style-type: none"> - 08th October 2015 - Vaal West - 15th October 2015 – Midrand - 20th October 2015 - Boksburg - 22nd October 2015-Sangweni Tembisa
<p>Activations at Higher learning institutions: Prompting K53 App and DLTC services</p> <ul style="list-style-type: none"> - 13th October 2015-Vaal University of Technology - 20th October 2015-University of Johannesburg <p>· Soweto Cycling Event: SIJIKELEZA IKASI NGE-BONY (Township Tour) 25th October 2015</p>
<p>Activations at DLTCs: Distribution of information on services offered:</p> <ul style="list-style-type: none"> - Mabopane 2nd October 2015 - Langlaagte 9th October 2015 - Kliptown 6th October 2015 - Maponya 23rd October 2015 · Xavier Launch 30th October 2015 · Sod-turning event- (Sebokeng DLTC) 27th October 2015
<p>Transport Week Programme 26th October 2015</p> <ul style="list-style-type: none"> - Sci-Bono Learner Transport Expo - West Rand OTM Fun Walk 28th October 2015 - 3 km Fun Walk through the CBD of Randfontein

Information Technology

The Department is developing various IT systems and processes towards modernising its business and service environments. The following elaborate on IT systems initiatives:

- **ICT Disaster Recovery**

The Department has developed an ICT Disaster Recovery Plan in compliance with the national ITC Governance Framework. The plan focuses on strategies to ensure the safety and security of the Department's information towards business continuity.

- **Unified Communication System**

The Department is working towards a unified IT communication system that includes voice; data and video communications integrated into one platform. This will provide an efficient cost saving communication system for the Department, both internally and externally with its stakeholders. The aim is to also create more effective and efficient service delivery through real time video communications with regional offices; entities and external stakeholders that are supported by the same platform. Some of the components of the system include landline telephones; video conferencing and data connectivity. The tender process for the unified communication system has commenced.

- **Electronic Document and Records Management Solution (e-DRMS)**

The e-DRMS was successfully implemented in the DLTCs to further promote a paperless environment and ensure efficient management of documents. The tender process for the deployment of e-DRMS in the entire Department has commenced.

Communications and Media Liaison

Integrated events management programme

- **SANTACO Pink Drive**

The Department, in conjunction with the South African National Taxi Association (SANTACO) and Pink Drive, celebrated World Cancer Day, on the 04th of February 2016 at Baragwanath Taxi Rank in Soweto. Free Prostate Specific Agent (PSA) cancer testing, breast cancer screening and educational talks were offered to operators and commuters.

- **Official Opening of P3/6 ribbon cutting event**

The Department has officially launched road P3/6 (N12 from Soweto towards the N12 Northwest Border) on the 03rd of March 2016. The road serves as a collector/distributor for the rural areas and towns along the route. The event was supported by the CoJ and Westonia Mayoral Committees.

- **Sod-Turning Event: K46 Phase 2 (William Nicol)**

The Department has officially launched the expansion of William Nicol Phase 2 project on the 23rd of February 2016. The upgrade of the road will provide improved road user mobility through increased road capacity and access to Diepsloot, Fourways and Randburg areas.

Stakeholder Relations

Social facilitation

The social facilitation process ensures proper consultation with the affected stakeholders, community liaison officers and sub-contractors. It also outlines the recruitment processes for general labour. The aim is to ensure the delivery of infrastructure with minimum disruption. It also entails consultations with the affected stakeholders during the events, outreach programmes and campaigns of the Department.

In the year under review, social facilitation was conducted at the following projects: K46 Phase 2 (construction of Road P79/1 between PWV5 (Jukskei River) and N14/P158/2) Diepsloot, construction of Sebokeng DLTC, re-fencing of N12 (P186/1), Bophelong intermodal resuscitations, R25 Cedar Road, P3/1, R82, P3/6, P186/1, P39/1, N14 and Vuk'uphile.

Social facilitation was also conducted at the following events, outreach programmes and campaigns of the Department:

- Sod-turning events of Cedar Road, the N14 upgrade and K46 phase 2;
- Ribbon cutting for P3/6 and the R25;
- Mandela Day and
- October Transport Month.

Public Participation Programme

The objectives of public participation programme is to mobilise communities for stronger involvement in decision making and allow the Department to draw attention to the standard of services it delivers after implementation. It also seeks to reinforce accountability amongst citizens through continuous engagements. This includes Economic Cluster meetings, site visits and public meetings. The Department has also implemented the Premier’s Ntirhisano programme that aims to identify and address service delivery issues within communities and report on developmental plans and challenges that are hindering projects.

In addition, the Department facilitated public meetings and coordinated the Ntirhisano programme in the following municipalities: Ekurhuleni, CoJ, CoT, Sedibeng and West Rand. Stakeholder engagements have furthermore been conducted during the Back to School campaign and implementation of the infrastructure projects. The stakeholders engaged are those in the education sector and SMMEs in the following areas and projects: Bronkhorstspuit, CoT, Sebokeng DLTC, Sedibeng District Municipality, N14 Upgrade, Cedar Road upgrade, K46 Phase 2 upgrade and CoJ.

Strategic objectives

Programme Name: Administration					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Corporate Services					
Provincial Indicators					
To achieve an 80% customer satisfaction level by 2019.	IT automation situational assessment completed.	Mapping, system design and system development completed (20%).	Mapping, system design and system development completed (13.33 %). (Stock management and EPM).	6,67%	Case management user requirement changed resulting in the delay of the development of the system.
	-	Charter and service standards document developed.	Charter and service standards developed.	-	-
	-	65%	0	65%	This project has been re-prioritised to the financial year 2016/2017.

Performance indicators

Programme / Sub-programme: Administration					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Corporate Services					
Provincial Indicators					
Stakeholder perception survey conducted.	*	1	0	1	This project has been re-prioritised to the financial year 2016/2017.
A departmental call centre established by March 2016.	*	Departmental call centre established.	Departmental call centre established.	-	-

Strategy to overcome areas of underperformance

Indicator	Proposed intervention
Clean audit report.	The Department is strengthening processes to ensure that a clean audit is received.
Percentage of tenders awarded within 90 days.	The Department is currently in the process of remodelling its business processes in line with the requirements of the Infrastructure Delivery Management System (IDMS) to allow for more efficient and effective turnaround times and increased SCM capacity.
Percentage of BBBEE expenditure awarded to women.	The Department has been conducting workshops as part of the GEYODI programme to encourage women ownership in the construction industry. The Department is also investigating a sub-contracting arrangement to address issues around GEYODI.
Percentage of BBBEE expenditure awarded to PwD.	The Department has been conducting workshops as part of the GEYODI programme to encourage PwD ownership in the construction industry. The Department is also investigating a sub-contracting arrangement to address issues around GEYODI.
% of customer satisfaction level by 2019.	The Department will appoint a service provider and complete the customer satisfaction survey in the 2016/2017 financial year.
Stakeholder perception survey conducted.	The survey will be conducted in the 2016/2017 financial year.
Fully automated identified business processes and records management by 2019.	The Department will appoint a new service provider who will automate the remaining processes.

Changes to planned targets

None.

Linking performance with budgets

As per the table below, the programme underspent R22 million in 2014/2015, which was 7% of the allocated budget; and R55 million in 2015/2016, which constitutes 19% of the allocated budget. The comparison between these two financial years shows a decline which was due to delays in the implementation of a comprehensive HVAC system for the Department, a project that is being implemented by the Department of Infrastructure Development (DID). In addition, there were delays in the designs for the refurbishment of the Zwartkop Training Centre, a project that is also being implemented by DID. There was also a delay in the full implementation of planned security upgrades for the Department and its regional offices due to legal issues around the security service providers that have not yet been finalised. The remainder of the under-expenditure can be attributed to cost-containment measures on operational items as required by Treasury. The items are:

- Catering;
- Fleet services (government motor transport);
- Stationery and printing;
- Property payments;
- Travel and subsistence; and
- Venues and facilities.

The abovementioned was taken into account in the budget allocations for 2016/2017. The Department will be closely monitoring spending patterns relating to this programme to enable any possible budget adjustments that may be required during the latter stages of the financial year.

Programme expenditure

Administration	2015/2016			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
OFFICE OF THE MEC	8 900	6 626	2 274	8 015	7 905	110
MANAGEMENT OF THE DEPARTMENT	18 450	15 916	2 534	11 983	11 859	124
CORPORATE SUPPORT	266 208	216 151	50 057	267 986	250 446	17 540
DEPARTMENTAL STRATEGY	747	519	228	5 368	1 267	4 101
TOTAL FOR SUB-PROGRAMMES	294 305	239 213	55 093	293 352	271 477	21 875

3.2 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 and to 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 sub-programmes namely:

List of Sub-Programmes

- Infrastructure Planning
- Infrastructure Design
- Construction
- Maintenance

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic Objective 1: To integrate province-wide transport sector planning and multi-modalism that supports decisive spatial transformation.

SUB PROGRAMME: INFRASTRUCTURE PLANNING

- **Route Determinations**

The purpose of Route Determinations is to refine and amend routes for the current Strategic Road Network (SRN) of Gauteng to ensure there is alignment with the Gauteng Spatial Development Framework.

Key routes for amendment were identified in order to support development initiatives:

- Route K77- Investigate, plan and prepare a route determination for the extension between PWV18 and PWV20;
- Route K47- Investigation of an extension of the South-Eastern part of the route determination of K47 to intersect the existing interchange on Road P156-2, continuing South-East to bypass Three Rivers East and link to Road D83 and hence with K83 South;
- Prepared a route determination addendum to delete the section of K154 between K129 (South) and K133, and to align K154 (West) continuously with K127 (South) in order to facilitate the extension of the Suikerbosrand Nature Reserve;
- Route K181 in the Grootvlei/Springs area between National Route N17 and Route K118;
- Route K118 (Springs) Between K161 (Main Reef Road) and PWV19; and
- Route K77 (between Route PWV 20 and Route PWV 18) and Route K47 (from Route K55 to Route K83).

An assessment of Class 2 Network Capacity was conducted at Intersection Points to determine intersections to be preserved for future Grade Separation in Gauteng as follows:

- Detailed analysis of the intersection between Main Road/5th Avenue (K94) and the R23/Great North Road (K119);
- Detailed analysis of the intersection between the K86 and The R23/Great North Road (K119);
- Detailed analysis of the intersection between the K129 and the K148; and
- Detailed analysis of the intersection between Randfontein Road (K11) and the N12/Moroka Bypass (K142).

The above assessments provide higher mobility on K-routes with high volumes.

- **Gauteng Household Travel Survey**

A household travel survey is a tool utilised to survey and analyse the travel behaviour of households by amongst others, taking into account various factors and indicators such as social, economic, travel patterns and modal choice. Its aim is to collect information about the travel behaviour and transport problems of people living within a given transport area/zone. The Department, in partnership with the three Metropolitans (CoJ, Ekurhuleni and CoT) and two Districts municipalities (West Rand and Sedibeng), conducted and completed such a survey, namely the Gauteng Household Travel Survey. The information collated from the survey subsequently informed the transport planning process and assisted with transport modelling, which is critical to ensure efficient transport services for the province.

- **Transport Modelling Centre**

Transport modelling is completed to predict future transport scenarios and their implications, based on available data and specific assumptions, including land use. As this kind of modelling requires that assumptions are made, it needs to be reviewed and compared with actual development and transport patterns from time to time, as and when they are realised.

The Department compiled Data Preparation Guidelines for urban simulation which will guide the implementation of the Gauteng Integrated Modelling Centre. The implementation process requires that base-year data be set up and maintained by Urban-Sim and MAT-Sim as an input into performing Integrated Land-use Transportation Modelling for Gauteng.

Priorities Freight Hubs

Freight transport is crucial for the economy of Gauteng and the country, and influences economic growth and development. The Department is responsible for coordinating the Gauteng Province's interest in the Spatial Infrastructure Project (SIP2) on the Kwa-Zulu Natal Free State Gauteng Development Corridor, as identified in the NDP. The following projects originated from it:

- **Tambo Springs**

Tambo Springs is located in the Gauteng Kwa-Zulu Natal Corridor. The report for the Environmental Screening Assessment proposed a re-alignment of a section of the planned PWV 13 Road reserve (Volume 2). The road network analysis on the vicinity of Tambo Springs and the re-alignment of PWV13 has been finalised. Furthermore, re-negotiations on the purchase of the 35.5 hectares of land required for the Arrival and Departure Yard between Transnet and Tambo Springs Development Company (TSDC) are in progress. An alternative approach is for Transnet to lease the land. The Arrival and Departure Yard designs are on-going.

- **City Deep**

- **Project B** (Widening of Rosherville Road to 3 lanes and an additional upgrade of the truck stop and holding area). This will provide additional capacity lanes for heavy goods vehicles, private cars and public transport to and from the freight hub. The progress on construction is at 20%.

- **Project C** (Existing railroad bridge in the vicinity of Vickers Road needs to be widened to accommodate the proposed widening of Rosherville Road). The progress on construction of Rosherville Rail Bridge is at 15%.

- **Project D** (Extension of Bonsmara Road by approximately 50 metres to connect with Heidelberg Road). The proposed extension will result in the intersection of Outspan and Heidelberg Road. The new link will improve traffic access to Rosherville Road from Heidelberg Road towards mobility and accessibility to the freight hub by for heavy goods vehicles, private cars and public transport. The progress of construction is at 10%.

- **Project E** (Construction of Cleveland Road Bridge). Linking southern and northern sections of Cleveland Road with a new bridge construction immediately north of M2 across Main Reef Road. It is envisaged that the proposed bridge of 100 metres will tie in with the existing 15 meters wide rail bridge to improve capacity. The detail design is in progress.

- **Project F** (Extension of Houer Road over undeveloped land south of the Fresh Produce Market up to Vickers Road). The extension is being completed to improve accessibility to the area south of the market for development. It will furthermore provide additional access to the area from the N17 and ensure a more functional road network with increased capacity. The anticipated road length is 1460 metres and the road width is 16 metres. The feasibility investigation is in progress.

- **Project G** (Construction of westerly ramps on N17 interchanges at Heidelberg and Vickers Roads. Construction of ramps might improve access to N17 from City Deep and Kascon, and reduce traffic congestion on M2). The construction of the ramps is envisaged to improve access to N17 from City Deep and Karsene, and reduce traffic congestion on the M2. The reviewing of the feasibility study is in progress.

- **Gauteng Freight Databank**

The South African economy is heavily reliant on the trading of goods and services with freight demands consistently growing. In an effort to address the bottlenecks in freight and assist in making freight management more efficient and competitive, the Department developed the provincial freight databank to ensure that freight systems are efficiently and effectively planned. The freight databank update project involves an extensive freight data collection and analysis exercise within the Gauteng transport corridors. Progress of data collection of freight modes is at 50%. Upon completion, it will serve as an input tool to the development of future transport policies contributing to the development of world-class freight transport infrastructure. A training session was held on 03rd March 2016 to capacitate the relevant officials on usage of this system.

Gauteng Transport Authority International Conference

The GDRT, in partnership with the International Association of Public Transport (UITP) and the African Association of Public Transport (UATP), have hosted a successful international consultative conference from the 9th to the 11th of March 2016. The theme of the conference was "Transition towards a Transport Authority: Gauteng, a Sustainable City-Region on the move". The conference was attended by all major stakeholders responsible

for public transport throughout the province, and also by their provincial counterparts across the country. The conference was well attended on all three days and showcased Transport Authorities from developed countries and Africa, as well as local experiences. The conference dialogue has facilitated spadework on the amendments to the current National Land Transport Act (NLTA) and the implication for Transport Authorities, nationally. A close-out report was developed that highlights the key issues and answers fundamental questions around the establishment process, powers and functions, as well as lessons to be learnt from Transport Authorities across the globe.

SUB PROGRAMME: INFRASTRUCTURE DESIGN

COMPLETED DESIGNS

- **P126-1: Ruimsig between Ontdekkers road and P16-1 (Tarlton) (East to West corridor)**

P126-1 is a provincial road between Johannesburg (Ontdekkers road) via Pinehaven where it intersects with P16-1 and is a link between Johannesburg and the West Rand. The detail design was completed.

- **P241/D405: Lenasia to Swartkoppies Ave Alberton (East to West corridor)**

The road is a link between Alberton and Lenasia in the Southern part of Gauteng and it also provides access to the industrial areas on the South East Rand. The project was completed.

- **K111: between D51 (Allandale Road) and K27 (R562) in the North (7,8 km) (North to South corridor)**

K111 forms a link between Allandale Road (Carstenhof Clinic) and K27 adjacent to Olifantsfontein. The rehabilitation design was completed.

- **D1884: reseal of Heidelberg Road between D478 and P243-1 (North to South corridor)**

The rehabilitation design was completed.

- **P39-1 Phase 3: between N14 to Erasmia (North to South corridor)**

The P39-1 is located between N14 (Diepsloot) and Erasmia. The rehabilitation designs and draft tender documents were completed.

- **P249-1 Phase 2 (8,4 km) (East to West corridor)**

The P249-1 provincial road (between 420 P39-1) in CoT towards the Hartbeespoort Dam is an important link between Gauteng and North West Province. The rehabilitation design and draft tender documents were completed.

- **D483: between Bapsfontein and Cullinan P6-1 (North to South corridor)**

The D483 is a North-South link between Bapsfontein and Cullinan on the Eastern side of Gauteng. The detail design and draft tender documents were completed.

- **P73-1 (Golden Highway) N12 to Eldorado Park to Ennerdale: (N12 (P186-1) to R558 (P219-1) (North to South corridor)**

P73-1 forms a link between Eldorado Park and Ennerdale in Southern Gauteng. The draft tender documents and detail design were completed.

- **P41-1 (R42): between Nigel and Springs (East to West corridor)**

The P41-1 provincial road is an existing road in East Rand, Johannesburg, located between Nigel and Springs. The rehabilitation design and tender documents were completed.

Additional Design

- **P103/1 (R512) Malibongwe: North West of Johannesburg (between N14 and N1) (East to West corridor)**

The road is located in the Cosmo City and North Riding areas. It forms an important link to Randburg and Lanseria areas. The detailed designs for P103/1 were completed.

ONGOING DESIGNS TO BE COMPLETED IN 2016/2017

TSHWANE METROPOLITAN COUNCIL

- **K97 (P1-3) (R101): N4/Bon Accord to Winterveldt (North to South Corridor)**

K97 (P1-3) (R101) is an existing North-South carriageway from Pretoria (N4) to the Limpopo border. The road is also known as the Old Warmbaths Road and is an alternative to the N1 North tolled highway. The K97 is planned as a 62 metre road reserve upgrade of the road to "K" route standards. The section between the N4 to the P1-3 was designed. The K97 will improve accessibility and economic development in the Hammanskraal area to the North and also forms part of the Pyramid Freight Hub.

The detail design and draft tender documents were delayed due to objections from landowners during the Environmental Impact Assessment (EIA) process. The alignment of the K97 will impact on their businesses due to the fact that they will have to create alternative access points to their properties. The K97 however is a dual carriageway and access to it is planned from a road safety perspective and aligned to comply with departmental standards. Mitigation factors will be implemented to address the comments/objections from the relevant landowners.

Approval of the EIA is awaited for the section between N4 where it links to the P1-3 (Old Warmbaths Road). The desktop study for the section further north was completed and the Department will complete the detail design and draft tender documents in the 2016/2017 financial year.

EKURHULENI METROPOLITAN COUNCIL

- **K148/N3 Construction of Interchange and Access Road to Tambo Springs Freight Hub (East To West Corridor)**

The N3/K148 interchange must make provision for the increase in traffic as it forms part of the freight hub between Kwa-Zulu Natal and Gauteng. The K148 which is also known as the Heidelberg Road crosses the N3 near Heidelberg. In addition, it forms part of the road network supporting the Tambo Springs Freight Hub. The N3 is part of the national road network under the jurisdiction of SANRAL. The upgrade of the interchange is supported by SANRAL and will encourage economic development on various nodes along the corridor. The detail design has commenced and will be completed during the 2016/2017 financial year.

EMFULENI LOCAL MUNICIPALITY

- **K77: Gauteng Highlands: Elizabeth Road to K154 (Phase1) (North to South Corridor)**

The proposed K77 commences from the N12 (Klipriviersberg) South to Vereeniging where it intersects the R59. Motorists will use the K77 to travel from the Vaal Triangle to Johannesburg and other areas. The road will form part of the Blue Rose Development and will also provide access to and from the Gauteng Highlands Development. The Department is continuing with the detail design which will be completed in the 2016/2017 financial year.

MIDVAAL LOCAL MUNICIPALITY

- **K154 Gauteng Highlands: Grace View Access Road to Old Vereeniging Road (R82) (P1-1) (East to South Corridor)**

The K154 is a planned East to South corridor connecting the areas of Walkerville, Kliprivier, Palm Ridge and Zonk'izwe. 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 area. The detail design and EIA were completed. The Department also requested approval of a Water Use Licence from the National Department of Water and Sanitation. The process to proclaim the road reserve will commence in the 2016/2017 financial year.

JOHANNESBURG AND TSHWANE METROPOLITAN COUNCILS

- **K101/58 interchange (Northern Corridor)**

The K101/K58 (D51) Allandale Road is located within the Midrand area and is one of the major intersections between Midrand, Johannesburg, Kempton Park and Kyalami. The Department is continuing with the design and upgrade of the intersection in partnership with a private developer.

- **K101 from Rooihuiskraal to D795 (North to South corridor)**

The section of the K101 between Rooihuiskraal (Brakfontein Road) and D795 (Olifantsfontein Road) (approximately 5,4 km) is parallel to the N1 East between Johannesburg and Pretoria. K101 falls within both the jurisdictions of Johannesburg and Tshwane Metropolitan Municipalities. The road is a North-South link between Johannesburg, Midrand and Pretoria and also an alternative route to the N1 toll road. The K101 is planned as a dual carriageway with a road reserve of 62 metres in width. The development of Waterfall City, Zonk'izwe in Midrand, Midstream and the growing population in Midrand and the surrounding areas would be well-served by the improved K101. The design includes pathways for cyclist and pedestrians, and public transport facilities (bus stops).

The Department is continuing with the detail design and the Environmental Baseline Report was completed. The EIA commenced in July 2015. The K27 crosses over the K101 and after consultation it was agreed to include the design for the grade separation in the scope of work which will extend the project up to June 2016. The acquisition of land to proclaim the road reserve will continue in the 2016/2017 financial year.

JOHANNESBURG METROPOLITAN COUNCIL

- **K109 Access to Tembisa (North To South Corridor)**

The K109 is planned as a North-South corridor linking Randjesfontein, Olifantsfontein and Ebony Park in the Midrand area. The construction of the K109, a section from Dale to Olifantsfontein Roads (4,8 km), will contribute to the modernisation of public transport infrastructure, economy and accelerated social transformation in Midrand. The draft detail design was completed. The final design will be completed in 2016/2017.

- **P122-1 (K105) Phase 2 between Tembisa and Doornkloof (Tshwane) (North to South corridor)**

P122-1 is a North-South link between Nellmapius Drive and Olifantsfontein/Tembisa. The initial assessment of the road conditions was completed and the rehabilitation designs and draft tender documents are in progress. The designs were planned for completion in October 2015, however; the project was delayed due to the extension of scope which required additional works.

Heavy Vehicle Simulator (HVS)

The GDRT appointed the Council of Scientific and Industrial Research (CSIR) to continue research on two types of hand-labour friendly road construction technologies: Ultra-thin Reinforced Concrete Pavement (UTRCP) and Roller Compacted Concrete (RCC) - using the Heavy Vehicle Simulator (HVS).

The D1814 between Rayton and Nooitgedacht which is adjacent to Cullinan within the Tshwane Metropolitan area was identified as the most appropriate road to construct and test pavement sections using the above technologies. Two 100 m test sections were constructed and subjected to HVS testing. The test results were positive and consequently a third and final phase of the testing is being planned. The test will focus on a longer (5 km) portion of the road to determine riding quality and skid resistance in real traffic conditions.

Strategic objectives

Programme Name: Transport Infrastructure					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To integrate province-wide transport sector planning and multi-modalism that supports decisive spatial transformation.	Provincial Indicator				
	SUB-PROGRAMME: INFRASTRUCTURE PLANNING				
	-	1 Gauteng Household Travel Survey completed.	1 Gauteng Household Travel Survey completed.	-	-
	SUB-PROGRAMME: DESIGN				
	12 Designs completed.	10 Designs completed.	10 Designs completed.	-	-

Performance indicators

Programme / Sub-programme: Transport Infrastructure					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
SUB PROGRAMME: DESIGN					
Provincial Indicator					
Number of new construction designs.	*	0	0	-	-
Number of upgrades designs.	2	0	0	-	-
Number of rehabilitation designs.	10	10	10	-	-

Strategic Objective 2: To provide modernised road infrastructure that promotes socio-economic development.

SUB-PROGRAMME: CONSTRUCTION

SURFACED ROADS UPGRADE COMPLETED

- **P4-1(Nederveen Rd (R103) from Leondale Forsdick Rd (R554) to Barry Marias Rd (R21)**

P4/1 involves the conversion of an existing 8,2 km single carriageway to a dual carriageway. The project aims to improve access to future developments in the Vosloorus, Leondale and Southern Ekurhuleni areas. It provides an alternative link between Johannesburg and Heidelberg, as well as the South-East areas of the CoJ. The road is practically completed. Due to the wider road with additional traffic signals, traffic congestion has been reduced significantly. Another key benefit as a result of revamping the road drainage designs - is the reduced potential of sinkhole formation as water drains into existing stormwater systems.

A 1.5 m wide pedestrian walkway was provided along the western edge of the road. The walkway is set back from the road and Bollards are provided to optimise pedestrian safety. Wheelchair ramps are provided at all intersections and tactile tiles, to assist the blind. Walkways are connected to bus stops for convenient access to public transport.

New investors are interested in developing the adjacent fallow land into light industry which will support the province's Radical Economic Transformation pillar. This will create employment opportunities for the whole region.

One of the key elements that the GDRT requested was the use of Labour-Intensive Construction (LIC) methods which allowed for employment opportunities for the local residents under the guidance of the local ward councillors. This also afforded the local subcontractors the opportunity to learn on the job whilst improving their skills for potential job prospects on large scale projects requiring SMME's.

ONGOING PROJECTS

- **K46 (P79-1) K46 (P79-1): Upgrading from single to dual carriageway of Road K46 (P79-1) William Nicol from PWV5 to Diepsloot/N14 - Phase 2**

K46 is situated within the CoJ and it involves the conversion of an existing 7,2 km single carriageway between PWV5 and Diepsloot into a dual carriageway. The road will provide a link between Diepsloot and Johannesburg. It will also provide access to existing and future developments along its corridor. Site establishment is 90% complete. Layerworks have commenced and progress to date is at 5%.

- **K57: Upgrading from single to dual carriageway of Road K57 (R82 (P1/1)) from Walkerville to De Deur - Phase 1B**

The road will provide an alternative link between Johannesburg and Vereeniging, including access to existing and future developments around Walkerville; Eikenhoff and De Deur in Midvaal. This project involves the construction of a dual carriageway of road R82/K57 (P1/1) from road D77 Eikenhof to D1073 in Walkerville. Progress to date is at 92%.

Strategic objectives

Programme Name: Transport Infrastructure					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
SUB-PROGRAMME: CONSTRUCTION					
Surfaced roads upgraded					
National Indicators					
To provide modernised road infrastructure that promotes socio-economic development.	91,020 m ² Roads upgraded.	121,360.00 m ² Roads upgraded.	121,360.00 m ² Roads upgraded.	-	-

Performance indicators

Programme / Sub-programme: Transport Infrastructure					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
SUB-PROGRAMME: CONSTRUCTION					
Job creation					
National Indicator					
Number of construction jobs created through the implementation of Expanded Public Works Programme (EPWP) principles.	120	100	100	-	Under reporting for Quarter 2 (1) was not disclosed.
Youth	81	55	56	+1	More youth applied for jobs.
Women	23	55	34	21	Under reporting for Quarter 2 (1) was not disclosed. Fewer applications for women were received due to the nature of work that required heavy machinery.
PwD	2	2	-	-	No applications from PwD were received from local communities.

Strategic Objective 3: To preserve the status of the existing road to its original state

SUB-PROGRAMME: MAINTENANCE

Provincial Roads Maintenance Grant (PRMG)

The Department was awarded a PRMG of R455, 821 million to preserve the status of the provincial roads network to its original state. A key aspect of this programme is an increased focus on cost effective use of labour absorption methodologies in road construction and maintenance. There is great emphasis on job creation through the EPWP; the deployment of local resources to support road network assets and improving access to school, health and public facilities, while also delivering a safe road environment.

The Department maintains 5,638 km of provincial roads across Gauteng Province. Twenty five (25) service providers were appointed for routine outsourced maintenance with ten (10) service providers supervising the different RISFSA classes of roads. Twenty nine (29) learner contractors were furthermore appointed as part of the contractor development programme and five (5) service providers were appointed as mentors and supervisors for RISFSA classes 5 and 6. The programme is ongoing until March 2017. Twenty (20) learner contractors were upgraded from Construction Industry Development Board (CIDB) level one to level two, five (5) learner contractors were upgraded to CIDB level three and four (4) learner contractors are awaiting the outcome of their assessments from the CIDB.

The programme is responsible for the maintenance of a total road network of 5,637.44 km of which 4,249.44 km is paved and the remaining 1,388 km is gravel. The various activities undertaken over the financial year amongst others included routine road maintenance, 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 and structures. The roads maintenance programme focuses on the following key sub-programmes, namely: routine road maintenance, preventative maintenance and reactive 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. The programme is also supported by outsourced routine maintenance contractors.

- **Reactive road maintenance**

It focuses on reacting to roads safety related issues, emergencies including sinkholes and day-to-day activities.

ROADS REHABILITATION

COMPLETED

- **Rehabilitation of road P39/1 between Laudium (Erasmia) and Krugersdorp (Diepsloot)**

The main objective of the project was to improve road user mobility by increasing roadway capacity. Road P39/1 is located between Laudium and Diepsloot in Tshwane Region (M26, sections of R511 and R114). The project entailed the rehabilitation of 23,6 km - commencing at R55 (7,5 km), to South-West Corridor. It also continues to M26, R511 (21,7 km) and R114 intersection (24,0 km). The road furthermore continues to R114 in a westward direction which passes the N14 (28,2 km) and ends at 31,040 km in the boundary between the Tshwane and Krugersdorp Regions. The road was completed.

The road provides access to residents in the semi-urban Erasmia and Gerhardsville areas and also serves to provide access to Diepsloot and Western Pretoria from Krugersdorp. The rehabilitation of the road has benefited public transport modes travelling from Limpopo, Bronkhorstspuit, and surrounding areas.

- **P3-6: Rehabilitation of Road P3-6 (N12) from P111-1 (R50) to North West border**

The project entailed the rehabilitation of a 7,48 km single carriageway road between P186/1 and the N12 at the border of the North West Province, as well as road P111/1 (Carletonville intersection) and a 25.74 km median separated dual carriageway section between roads P111/1 (Carletonville Intersection). The road passes the CoJ and Westonaria municipality. It also serves as a collector/distributor for the rural areas and towns along the route.

The main objective of this project was to rehabilitate road P3-6 to a pavement design life expectancy of 20 years. To achieve this, the existing road pavement had to be improved by structurally strengthening the upper layers through removing, recycling, and constructing new layers. The drainage structures and all other appurtenant items along the road had to be rehabilitated by cleaning, repairing, and replacement.

Additional objectives were also to provide black economic enterprise contractors a substantial portion of the work, to provide work and training to local and other labourers, and to execute the work with a high degree of safety. The project offered training, 350 employment opportunities, and 20 contracts to local subcontractors, individuals and entities (BBBEE & SMME compliant).

The road users are made up of local traffic from residents who are using the road as a means to commute between work and home, long distance traffic (light and heavy vehicles) and local heavy vehicles that mainly originating from mining activities. The main economic benefit was the reduction of travel time which in turn has a significant cost saving effect and will reduce long-term maintenance costs for the Department.

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

P6/1 (R25) is a single carriageway linking Gauteng and Limpopo province located on the Southern Western fringe of Bronkhorstspuit. The road has relatively high traffic volumes that mostly consist of heavy vehicles. The land along the road is used for mixed, residential (housing estates) and subsistence farming (small agricultural holdings). The project is located in the CoT and Ekurhuleni municipalities. 40 km of road was surfaced.

In addition, the project is aimed at providing BBBEE contractors with a substantial portion of the work and offering training to local residents and residence from other areas, whilst executing the work with a high degree of safety.

- **D1027: Rehabilitation and upgrade of Road D1027 (Cedar Road)**

The road is located in Sunninghill, Sandton. The objective of the project is to upgrade Cedar Road North and South to a dual carriageway status and to improve the pavement life. The proposed construction forms part of access to the Steyn City Development in the CoJ. The construction length of storm water drainage and services provision is approximately 2,4 km. The road is practically completed.

Cedar Road (D1027) forms part of the Gauteng provincial road network and acts as an inter-urban collector for the surrounding townships. Cedar Road currently experiences a mix of light traffic as well as significant heavy vehicle traffic, primarily related to the transport of building materials from the northern outskirts of Johannesburg - while utilising the existing road network.

Significant developments have been experienced in this area over the past 15 years and it is anticipated that it will continue to experience this kind of growth. The project involves the widening of Cedar Road on both sides to a double carriageway. The widening of the road will consist of new pavement layers. The objective was to improve the traffic capacity and pavement integrity of Cedar Road for a period of 20 years. It also included the promotion of black owned economic enterprise to construct portions of the works.

- **The Rehabilitation of Road P186/1 (Approximately 9,54 km)**

The road is located south of Johannesburg between the N1 and 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. The project is located in the CoJ.

The objective of the Department was to rehabilitate Road P186/1 and the three interchanges along with the cross roads through any of the following ways:

- Reconstructing the base and constructing an asphalt overlay; or
- Milling the existing surfacing and constructing an asphalt inlay.

It also includes providing black economic enterprise contractors with a substantial portion of the work and offering work and training to local and other labourers whilst executing the work with a high degree of safety.

ONGOING PROJECTS

The Department commenced with the following road rehabilitation projects which will be completed during the 2016/2017 financial year.

- **Rehabilitation of Road P158/2 (N14) from Diepsloot (20.7 km) to Hendrik Potgieter intersection (41.49 km): Phase 1**

P158/2 (N14) is an interurban freeway that serves as a transport corridor between the Gauteng cities of Tshwane, the northern suburbs of Johannesburg and the north western cities of Johannesburg, Krugersdorp and Roodepoort. The project cuts across two (2) municipalities namely Mogale City and CoJ.

Actual progress to date is at 68%. The contractor is busy with layer works such as milling operation of the asphalt and base, construction of side line drains, cleaning out of hydraulic structures and asphalt inlay and indicated that they will be commencing asphalt overlay in June. The project is expected to be completed in December of the 2016/17 financial year.

GAUTENG FREEWAY IMPROVEMENT PLAN - ALTERNATIVE ROADS TO E-TOLL

As e-tolls (pay per user) were implemented as part of the GFIP strategy, the Department implemented the alternative roads programme to support and enhance the strategic road network for our road users. During the financial year under review, the following roads were maintained as part of this programme.

- **N12 (P3-6) - Rehabilitation of Road P3-6 (N12) from P111-1 (R50) to the North West border**

The N12 towards the North West province meets the N1 in Johannesburg South, making the N12 an alternative route to the N1.

- **N14 - Rehabilitation of Road P158/2 (N14) from Diepsloot (20,7 km) to Hendrik Potgieter intersection (41,49 km): Phase 1**

The N14 connects Centurion and Krugersdorp and provides alternate routes to Sandton CBD, Lanseria Airport and Diepsloot Township and the N1 towards Pretoria.

- **N12(P186/1) - The Rehabilitation of Road P186/1 (Approximately 9,54 km)**

The road is a link between the North West Province and Gauteng and is used by heavy vehicles travelling between the two provinces. It also serves as a major collector/distributor for the urban areas along the route southwest of Johannesburg. It is an alternative route to the N1.

- **R103 - P4-1(Nederveen Rd (R103) from Leondale and Forsdick Roads (R554) to Barry Marais Road (R21)**

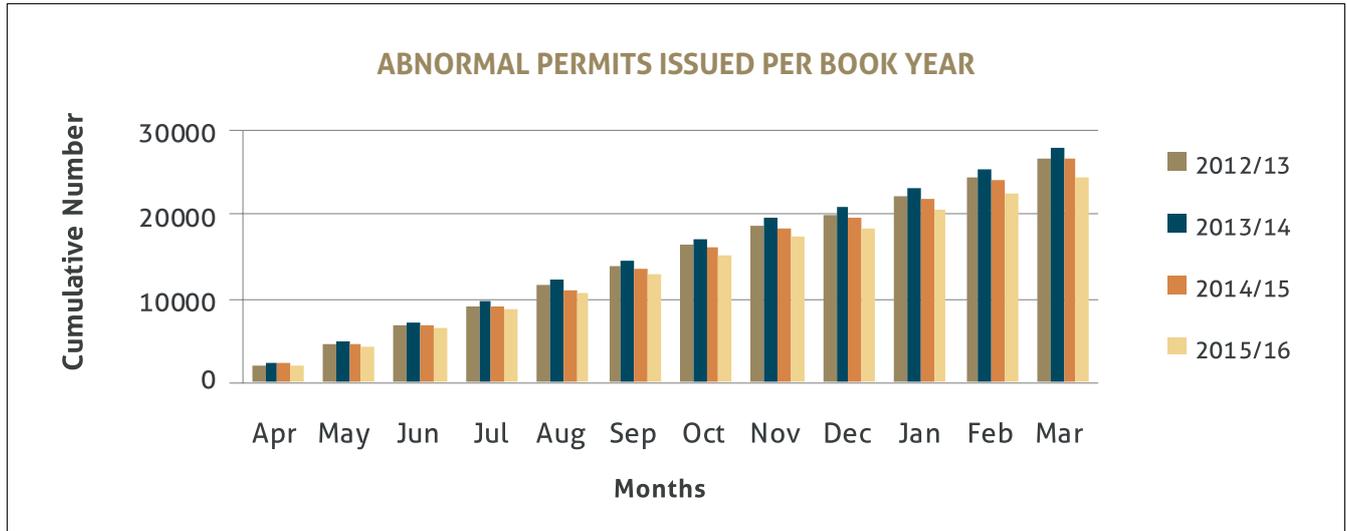
Leondale Road, which connects Vosloorus and the N3 Freeway to road K133, is also a "K" route. R103 is typically used as an alternate route to the toll plazas on the N3 highway.

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

The road is located on the southern western fringe of Bronkhorstspuit. Road P6/1 (R25) is a single carriageway provincial road, linking Gauteng and Limpopo provinces. The road serves as an alternative route to the N1 and R21 highways.

TRAFFIC ENGINEERING

Graph for abnormal loads permits



Strategic objectives

Programme Name: Transport Infrastructure					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
SUB-PROGRAMME: MAINTENANCE					
Surfaced Roads Rehabilitated					
National Indicator					
To preserve the status of the existing road to its original state.	26,17 km	1 125 540.00 m ² Roads rehabilitated	1 666 755.00 m ² Roads rehabilitated	+541 215.00 m ² Roads rehabilitated	Under reporting for Q2 (186 000.00 m ²) was not disclosed. The projects required additional work on P3/6, P39/1, Cedar Road and R25 with a subsequent variation order which led to an increase of the square metres.
	-	ITS Project Implementation Plan approved	ITS Project Implementation Plan completed	-	-

Performance indicators

Programme / Sub-programme: Transport Infrastructure					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
SUB-PROGRAMME: MAINTENANCE					
Surfaced roads resealed					
National Indicators					
Number of m ² of surfaced roads resealed.	113.2 km	350 000 m ²	350 000 m ²	-	-
Re-gravel roads					
Number of kilometres of gravel roads re-gravelled.	66.94 km	102.32 km	102.32 km	-	-
Blacktop patching					
National Indicators					
Number of m ² of blacktop patching.	120 000 m ²	125 000 m ²	136 357.47 m ²	+11 357.47 m ²	Poor conditions and roads deterioration resulted in more potholes patching than anticipated.
Roads bladed					
Number of kilometres of gravel roads bladed.	2 338.5 km	1 388 km	1 655.8 km	+267.8 km	Poor conditions and roads deterioration resulted in more blading for the roads to be safe and drivable.
Job Creation					
Number of maintenance jobs created through the implementation of EPWP.	2 850	3 000	3,454 + Rehab (157) =3,611	+611	More jobs were created to assist the Department in improved social facilitation process with different stakeholders, including community leaders.
Youth	1 954	1 650	2,144 + Rehab (110) =2,254	+604	More jobs were created to assist the Department in improved social facilitation process with different stakeholders, including community leaders.
Women	1 314	1 650	1,613 + Rehab (54) =1,667	+17	More jobs were created to assist the Department in improved social facilitation process with different stakeholders, including community leaders.
PwD	23	60	66 + Rehab (1) =67	+7	More jobs were created to assist the Department in improved social facilitation process with different stakeholders, including community leaders.

Programme / Sub-programme: Transport Infrastructure					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Traffic Engineering					
National Indicator					
Number of weighbridges calibrated to SABS standard.	4	4	4	-	-
Provincial Indicator					
Number of abnormal load permits issued.	26 520	27 000	24 324	2 676	The financial year 2015/2016 experienced a dip in infrastructure development due to poor economic growth. Consequently, the permit office received fewer applications to move heavy vehicles and abnormal loads, than estimated.

Strategy to overcome areas of underperformance

Indicator	Proposed intervention
Number of construction jobs created through the implementation of EPWP principles (Women) .	Road designs for new projects will be reviewed to ensure that there are ample activities that may be implemented labour intensively.
Number of construction jobs created through the implementation of EPWP principles (PWD).	Engagement with ward councillors to assist in identifying and providing job applications for PwD in future projects.
Number of abnormal load permits issued.	Industry projections will be taken into consideration when setting demand driven targets.

Changes to planned targets

Indicator	Reason
Number of designs completed.	The budget was adjusted.
Number of m ² of surfaced roads upgraded.	The budget was adjusted.
Number of m ² of surfaced roads rehabilitated.	The budget was adjusted.

Linking performance with budgets

The table below indicates that the programme underspent by R48 million in 2014/2015 and by R38 million in 2015/2016, which both constitute 2% of the allocated budget. This meant that the infrastructure allocation was almost fully utilised. The under-spending decreased from R273,000 in 2014/2015 to only R26,462 in 2015/2016. This demonstrates a significant improvement for the Department - that was made possible through the following:

- The introduction of continuous improvement measures by the Department; and
- Constant monitoring and reviewing of expenditure and adjusting budgets accordingly.

This contributed to the correct allocation of resources to where the spending incurred and ensured that it was in line with the departmental plans and objectives.

Programme expenditure

Transport Infrastructure	2015/2016			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
INFRASTRUCTURE PLANNING	42 911	38 079	4 832	40 092	33 155	6 937
INFRASTRUCTURE DESIGN	143 655	142 111	1 544	113 009	98 038	14 971
CONSTRUCTION	1 042 568	1 042 526	42	925 025	902 122	22 903
MAINTENANCE	925 140	912 347	12 793	776 816	782 757	-5 941
PROGRAMME SUPPORT INFRASTRUCTURE	61 331	42 051	19 280	289 614	280 125	9 489
TOTAL	2 215 605	2 177 114	38 491	2 144 556	2 096 198	48 359

3.3 Programme 3: Transport Operations

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. Its sub-programme is:

- Public Transport Services

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic Objective 1: To provide subsidised transport services that support the movement of people through an efficient transport network that is safe, reliable and accessible.

SUB-PROGRAMME: PUBLIC TRANSPORT SERVICES

Bus Subsidies

To support the aforementioned strategic objective, the Department renders subsidised transport services to reduce cost and redress Apartheid policies through reliable transport. It is therefore crucial for the Department to enhance public transport network locally and regionally to support economic development through elements such as job creation and tourism. Buses are the backbone of public transport in large urban areas and bus subsidies are therefore an attempt to relieve commuters from high transport costs.

The Department is managing a total of 34 bus subsidy contracts of which 32 are funded by a Public Transport Operations Grant (PTOG) and two ceded contracts are from North West Province. These contracts are operated in the three metros, namely: CoJ, CoT and Ekurhuleni, as well as Sedibeng District Council. The subsidised bus services are operated by bus companies on behalf of government. The optimal use of subsidised bus services encourages utilisation of other available travel modes to enhance the effectiveness of the entire transport system and reduce travelling time and costs.

Bus Subsidy Monitoring

The monitoring of subsidised public transport services is prescribed by legislation. The PFMA requires of an Accounting Officer to maintain appropriate measures to ensure that funds transferred to provinces are applied for their intended purposes. In addition, the PFMA and the Division of Revenue Act (DORA) stipulate that all subsidised bus contracts must be monitored. All 34 (thirty four) bus subsidy contracts are monitored by 6 (six) external service providers referred to as Supervisory Monitoring Firms (SMFs).

In alignment with DORA, the Bus Subsidy Monitoring programme:

- Monitors the performance of subsidised public transport operators;
- Ensures that operators comply with applicable legislation and the terms and conditions of the contract; and
- Supports the movement of people through an efficient transport network that is safe, affordable, reliable and accessible.

Introduction of Bus Subsidies in West Rand

The objective of subsidies is to provide safe, affordable, reliable and accessible public transport to commuters. The aim of the West Rand bus subsidy pilot project was to ensure that people of the West Rand District Municipality benefit from the subsidised public transport service which serves to relieve high transport costs for commuters. Consultation with the West Rand District Municipality West Rand and stakeholders were conducted as an information gathering initiative.

The CSIR was appointed to conduct a viability assessment on the introduction of subsidised bus services in the West Rand which emanated from the Department's decision to assist the district municipality to address transport service delivery concerns.

The West Rand bus subsidy viability assessment has culminated with indications that bus subsidy operations will be financially unsustainable and that alternative routes with high commuter demand can be considered in consultation with relevant authorities. The Department supports the preliminary recommendation to explore alternative routes and is of the view that further engagements with West Rand Municipality must be pursued.

SUB-PROGRAMME: SUPPORT OPERATIONS

Public Transport Transformation

Transformation of the taxi industry is led by the National Taxi Task Team (NTTT) and based on the following recommendations that were adopted in 1996:

- Formalising the taxi industry;
- Regulating and controlling the minibus taxi industry;
- Training and capacity building; and
- Creating conditions for economic survival, sustainability and empowerment.

These initiatives are aimed at moving the taxi industry from an unregulated, conflict prone public transport mode to a professional and business orientated mode. It also serves to ensure that provincial, regional and primary taxi structures have formal and legal structures to sustain and participate competitively without relying on government. To support these initiatives, the Department is implementing the Corporatisation Training Programme.

- **Corporatisation and Portfolio Training to Taxi Associations**

Corporatisation is the formation of business entities to ensure that taxi associations have legal business entities. Over and above the creation of entities, the Provincial and National Department(s) of Transport must create a deliberate enabling environment for these entities to be ready to compete equally with mainstream bus companies for contracts and to diversify their business interests through access to funding or grants and business management skills. The table below outlines the Cooperatives registered and associations which were trained on portfolio functions:

Region/Municipality	Number of Cooperatives trained	Number of Cooperatives registered	Portfolio Training Conducted for Taxi Associations
1. Sedibeng	10	9	13
2. West Rand	12	6	12
3. Ekurhuleni	14	3	14
4. Johannesburg	6	2	19
5. Tshwane	20	15	29

Additional Initiatives in Transforming the Taxi Industry (including assisting the industry in funding and support models)

In an effort to ensure that cooperatives are given recognition and allowed to flourish in all sectors of the economy, the Presidential Growth and Development Summit held in July 2003 endorsed special measures to support cooperatives as part of strategies for job creation in the South African economy.

The Department had numerous meetings with the Gauteng Enterprise Propeller (GEP), in an effort to devise ways and means to best assist Taxi Associations which have registered cooperatives to sustain themselves. Through these discussions, the Department established a formal relationship with the GEP to assist taxi cooperatives with business opportunities. As part of the transformation agenda, the Department plans to improve customer service, influence taxi driver behaviour and assist the taxi industry through skills development.

PUBLIC TRANSPORT INTEGRATION AND SPECIAL PROJECTS

Intermodal Facilities

The intermodal facilities are being developed at transfer nodal points that are mainly at existing railway station precincts. The facilities comprise properly designed loading bays with canopies, vending stalls, ablution facilities, park and rides and waiting areas. The following intermodal facilities were under construction during the financial year under review.

- **Roodepoort**

The Department is upgrading the existing holding and loading areas by resurfacing the existing pavements, creating storm water channels, water supply and electricity; providing canopies, vending stalls and ablution facilities, as well as supplying street lighting at the taxi facility. This was extended to include other modes of transportation, including safe walking infrastructure for commuters.

The overall estimated project progress is at 95%, with paving and steel works erection being completed. The contractor is currently behind schedule with the erection of roof sheeting for canopies. The Department has put the contractor on terms and has enforced penalties since November 2015, as per contract terms. The project created one subcontracting opportunity for steel works and 13 jobs in the current financial year.

- Vereeniging

Construction was undertaken at two working areas which are; the northern holding area and the Taxido taxi rank. The northern holding area was completed and is being utilised as a temporary taxi rank. The Taxido taxi rank construction is ongoing with earth works at 98% and underground services and 15% of all building works completed. Overall progress on the Vereeniging intermodal facility project is estimated at 75%.

Strategic objectives

Programme Name: Transport Operations					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
SUB-PROGRAMME:PUBLIC TRANSPORT SERVICES					
Provincial Indicators					
	*	A sustainable subsidised public transport network for the province formulated.	0	1	Prolonged consultations were required to develop the implementation plan which delayed completion.
	*	Finalised viability study for West Rand subsidised bus services.	Viability study finalised for West Rand subsidised bus services.	-	-
	41 750 m ²	Project was deferred to the financial year 2016/2017.	-	-	-
PUBLIC TRANSPORT INTEGRATION AND SPECIAL PROJECTS					
National Indicators					
To provide subsidised transport services that support the movement of people through an efficient transport network that is safe, reliable and accessible.	0	2 (Vereeniging and Roodepoort completion).	0	2	Vereeniging-Rates disagreements between subcontractor and contractor due to market rate escalations resulting in some of the work packages being delayed. Roodepoort -Contractor still experiencing financial challenges and could not procure material and pay labourers.
	*	-	-	-	-
	*	Integrated Fare Management (IFM) 'As is' system assessment report.	IFM 'As is' system assessment report completed.	-	-
	*			-	-
*New indicator					

Performance indicators

Programme / Sub-programme: Transport Operations					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
SUB PROGRAMME:PUBLIC TRANSPORT SERVICES					
National Indicators					
Number of routes subsidised.	3 130 (Non-cumulative)	3 047 (Non-cumulative)	3 047	-	-
Number of kilometres subsidised.	98 443 989	101 296 704	97 208 974.3	4 087 729.7	This is due to km which were not operated (DNOs - did not operate).
Number of trips subsidised.	1 893 814	1 934 128	1 860 581	73 547	This is due to trips which were not operated (DNOs - did not operate).
Number of provincial regulating entity hearings conducted in terms of Section 59 & 79 of the National Land Transport Act (NLTA) 2009.	*	50	46	4	Lack of attendance by parties led to inefficiency to reach the set targets.
PUBLIC TRANSPORT INTEGRATION AND SPECIAL PROJECTS					
Provincial Indicator					
Number of bicycles distributed through Shova Kalula Project.	*	3 000	0	3 000	There were delays in the approval of the tender as SCM processes were changed. Subsequently, a lengthy vetting process was undertaken. The approval and vetting process was finalised and the appointment letter for the contractor was issued in March 2016.
Job creation					
Number of intermodal and NMT facilities jobs created through the implementation of EPWP principles.	172	60 (35 Intermodal and 25 NMT)	7 Intermodal Jobs 0 NMT Jobs	53 Intermodal jobs 25 NMT jobs	Fewer jobs created in the financial year on the project. Project deferred therefore, no NMT Jobs were created.

Youth	88	33 (20 Intermodal and 13 NMT)	4 Intermodal Jobs 0 NMT Jobs	29 Intermodal jobs 13 NMT jobs	Fewer jobs created in the financial year on the project. Project deferred therefore, no NMT Jobs were created.
Women	49	33 (20 Intermodal and 13 NMT)	3 Intermodal Jobs 0 NMT Jobs	17 Intermodal jobs 13 NMT jobs	Fewer applications received from women. Project deferred there- fore, no NMT Jobs were created.
PwD	0	1	0	1	No applications were received for PwD.
*New indicator					

Strategy to overcome areas of underperformance

Indicator	Proposed intervention
Number of business and operational plans developed by 2018.	The Department will complete a rollout strategy for the implementation of ITMP25 public transport proposals. Formulation of sustainable subsidised public transport network for the province in the 1st quarter of the 2016/2017 financial year.
Number of intermodal facilities completed.	Vereeniging- The Department will fast track the outstanding work packages to be completed in the next financial year. Roodepoort - Penalties have been imposed on the contractor since November 2015 which continues to accumulate as termination is pending. With the new Infrastructure Delivery Management System (IDMS) dispensation, project management functions will be performed by engineers and civil engineering technicians.
Number of kilometres subsidised.	There are a number of variables at play in subsidised bus operations. As a result, bus operators cannot always provide a fixed schedule of kilometres and trips to enable planning of targets in advance.
Number of trips subsidised.	Unpredictable factors are therefore referred to as "do not operate" (DNO) trips. Additional interventions will be implemented to ensure that penalties are imposed for trips not operated.
Number of provincial regulating entity hearings conducted in terms of Section 59 & 79 of the NLTA 2009.	The Department engaged with numerous associations for assistance with delivery of subpoenas.
Number of bicycles distributed through Shova Kalula project.	A service provider was appointed for distribution and delivery of the bicycles. The Department will accelerate delivery of the bicycles to learners in the 2016/2017 financial year.
Number of intermodal and NMT facility jobs created through the implementation of EPWP principles.	NMT facility jobs will be created under road construction in the 2016/2017 financial year.
Number of intermodal and NMT facility jobs created through the implementation of EPWP principles (Women).	Due to a bulk of the works deployed requiring hard labour, equitable elements of the works will have to be solely ring-fenced for women.
Number of intermodal and NMT facility jobs created through the implementation of EPWP principles (PwD).	In the 2016/2017 financial year, various avenues will be explored with the consultants or supervisory firms to provide learning and working opportunities.

Changes to planned targets

Indicator	Reason
Number of public transport business and operational plans developed by 2018.	The annual target had to be adjusted because the operational and business plans had to be amended to focus on the entire public transport network operations in Gauteng, from the commencement of the bus contracting process for all contracts.
Impact evaluation of infrastructure projects.	The project was deferred to the 2017/2018 financial year.
Number of m ² of NMT infrastructure completed.	The project was deferred to the 2016/2017 financial year.

Linking performance with budgets

The table below indicates that the programme underspent by R54 million in 2014/15, which was 3% of the allocated budget; and by R122 million in 2015/16, which constitutes 6% of the allocated budget. The underspending was as a result of PTOG and NW Star allocations that were not depleted during the year. There were savings within the PTOG and the allocation that formed part of the NW Star for the West-Rand bus service was not spent because the plans for this service were put on hold to finalise discussions at other platforms and levels. Infrastructure projects were marked by significant under-spending as a result of a range of issues, such as the tender processes, issues with the contractors etc.

Programme expenditure

Transport Operation	2015/2016			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
PUBLIC TRANSPORT SERVICES	2 129 026	2 012 968	116 058	2 022 523	1 974 798	47 725
PROGRAMME SUPPORT OPERATIONS	12 456	6 200	6 256	18 402	11 870	6 532
TOTAL	2 141 482	2 019 168	122 314	2 040 925	1 986 668	54 257

3.4 Programme 4: Transport Regulation

Purpose

The purpose of the programme is to plan and facilitate the provision of learner and driver licences, motor vehicle roadworthiness, motor vehicle registration and licensing, registration of operating licences, the establishment of transport operating licence administrative Bodies (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 Licence and Permits

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic Objective 1: To modernise regulatory services that are accessible, reliable and customer centred

SUB-PROGRAMME: TRANSPORT ADMINISTRATION AND LICENSING

School Learner Driver Support Programme (SLDSP)

The purpose of the SLDSP is to provide an opportunity for Grade 11 school learners to acquire a Learner Licence as a foundation towards obtaining a valid driver's licence as a critical life skill. The SLDSP also aims to ensure that we have better drivers on our roads and provide a service that is very necessary for our communities. The project is geared towards promoting a culture of road safety through understanding of the road rules and encouraging appropriate behaviour on the road before acquiring a driver's licence. The main benefit of this project is to increase the employability of young people in the national economy by equipping them with life skills and most importantly to be competent drivers. 880 learners from 32 schools were registered and trained. 674 learners were tested for learner licences.

ESTABLISHMENT OF NEW REGISTERING AUTHORITIES/ DLTC'S

In the quest to accelerate service delivery and modernise frontline service points, the Department continued with its strategy to rehabilitate infrastructure and expand licensing services. This includes construction of facilities as follows:

- Customer centric in terms of universal access;
 - Characterised by open spaces for improved work flow
 - Utilises new technologies such as queue management system to reduce customer waiting times and enhance service delivery;
 - Leverages CCTV cameras and biometric controls to strengthen security;
 - Reduces traveling costs for the community; and
 - Alleviates congestion in the roads.
- **Kagiso Registering Authority/DLTC**

As part of the expansion of licensing services, the Department initiated the establishment of a new DLTC in Kagiso which is located in the Western corridor. The project entails the conversion of an existing building into a DLTC and MVRA with offices and public parking. The design and construction of these facilities incorporated some green aspects such as LED lights and solar geysers to improve energy efficiency and ensure sustainable infrastructure.

The project is 97% complete with major building works completed (i.e. all glazing and shopfronts are now complete and floor coverings in the form of tiling is complete, while a substantial part of the painting is completed). Fittings, electrical and mechanical works are outstanding. There are also a number of remedial works that the contractor still needs to attend to such as grated covers for storm drains. It is anticipated that the project will be completed by the end of April 2016.

- **Sebokeng DLTC**

A new DLTC Centre is currently under construction in Sebokeng Township located in the Southern corridor. The objective of this initiative is to improve access to licence services for the community. It will also serve as a prototype model for all new DLTCs that will be established in the future. Site establishment and earthworks were completed. Works on the supply of material for the construction of the test track and internal roads were stopped by a group from the community who had concerns around the 30% local content aspect of the project. Engagements were held and the matter was resolved. It is anticipated that construction will be completed in the 2016/2017 financial year.

- **Soweto DLTC**

The Department is planning to establish a DLTC at Soweto Western corridor. Land was identified in Diepkloof and a proposal was submitted to CoJ for consideration. Construction will commence in 2017/2018, subject to approval from the CoJ.

REFURBISHMENT OF EXISTING DLTCs

- **Temba DLTC**

In line with the Departments strategy to improve frontline services, the Department initiated a programme to upgrade infrastructure at the Temba DLTC which is located in the Northern corridor.

The project entailed renovations and an addition of a new wing to accommodate the MVRA and public parking. The project was completed in the current financial year and will be put into operation as soon as the eNaTIS system is installed. The DLTC will increase the testing capacity in Temba and surrounding areas which will in turn increase the number of bookings by residents both from Gauteng and neighbouring provinces.

- **Mabopane DLTC**

The Mabopane DLTC is situated in Tshwane in the Northern corridor. The objective of the initiative is to upgrade the centre to improve service delivery and increase the testing capacity for the community and surrounding areas.

The project entails the renovation of the existing facility and an addition of a new DLTC section. The new DLTC section is complete; but the existing facility (MVRA) could not be completed due to unavailability of the eNaTIS as a result of a court case between the National Department of Transport and the service provider. The eNaTIS equipment and officials will have to be relocated to the new building for the works to be completed. The project will be fully concluded in the 2016/2017 financial year.

Compliance inspections

The Department executes periodic compliance inspections at the Registering and Testing Authorities. Such inspections are conducted to determine compliance with the ruling legislation and the conditions of the Service Level Agreements entered between the Department and the Registering Authorities. This may include, but are not limited to: financial, human resources, infrastructure and operational management aspects. The Department may set additional minimum standards in respect of any of the inspection matters. Consolidated written inspection reports on the findings of such inspections are provided to the authorities which may set out specific deficiencies to be resolved within a specific period. The Department conducted 120 such compliance inspections during the financial year under review.

Agency Fee Review Project

In compliance with the requirements of the PFMA (Act 29 of 1999 as amended) and Treasury Regulations, the GDRT must ensure that all its expenditure is within reasonable limits and that all revenue due to the province are collected in the most effective manner. To this end, the Department has to ensure the efficiency and cost-effectiveness of the agency fee structure for the functions performed on its behalf by the municipalities.

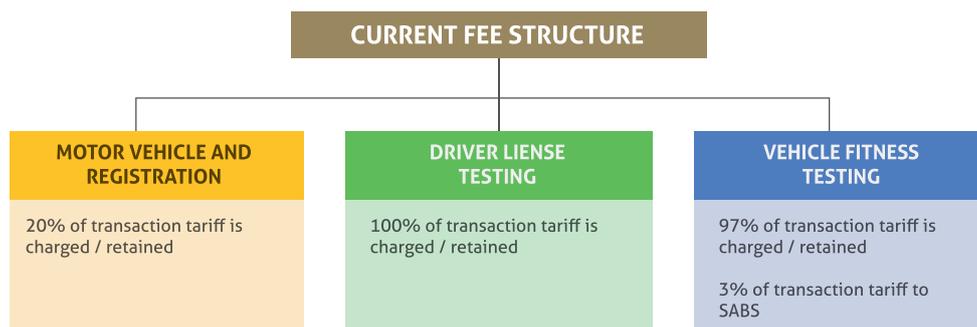
Similarly, in terms of the MFMA, the Local Government: Structures Act 117 of, 1998 and the Local Government: Municipal Systems Act 32 of 2000, municipalities also have to ensure that these functions are not rendered at a loss to them.

The aim of this project is thus driven by the need to improve the service delivery and improve turnaround times at the Registration Authorities in the province. The main objective of the exercise is to:

- ✓ Determine an agency fee structure to enable the GDRT to draft suitable SLAs with the municipalities for the agency services provided;
- ✓ Have a fair understanding of the cost drivers of the licensing business environment (i.e. RA, DLTC and VTS functions);
- ✓ Have a fair understanding of how much it costs to run the business (i.e. RA, DLTC and VTS functions);
- ✓ Determine whether the agency fees paid to municipalities are sufficient to run the licensing function on behalf of the province;
- ✓ Examine existing organisational and institutional arrangements, including municipalities' technical capacity, financial self-sustainability, efficiencies, accountability and transparency; and
- ✓ Propose proper institutional arrangements that will improve services and be cost effective, transparent and sustainable in the long term.

The study was completed and presented to the Project Steering Committee made up of municipalities, provincial treasury and the DRT. It was also presented to the Senior Executive Management of the Department. The findings and recommendations will be presented to the MEC/MMC forum, submitted to the Provincial Treasury for approval and thereafter be tabled at EXCO level by the Provincial Treasury.

CURRENT AGENCY FEE STRUCTURE



Motor Vehicle Licence 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 Licence Fees Regulations, 2015.

- **The tariff review process**

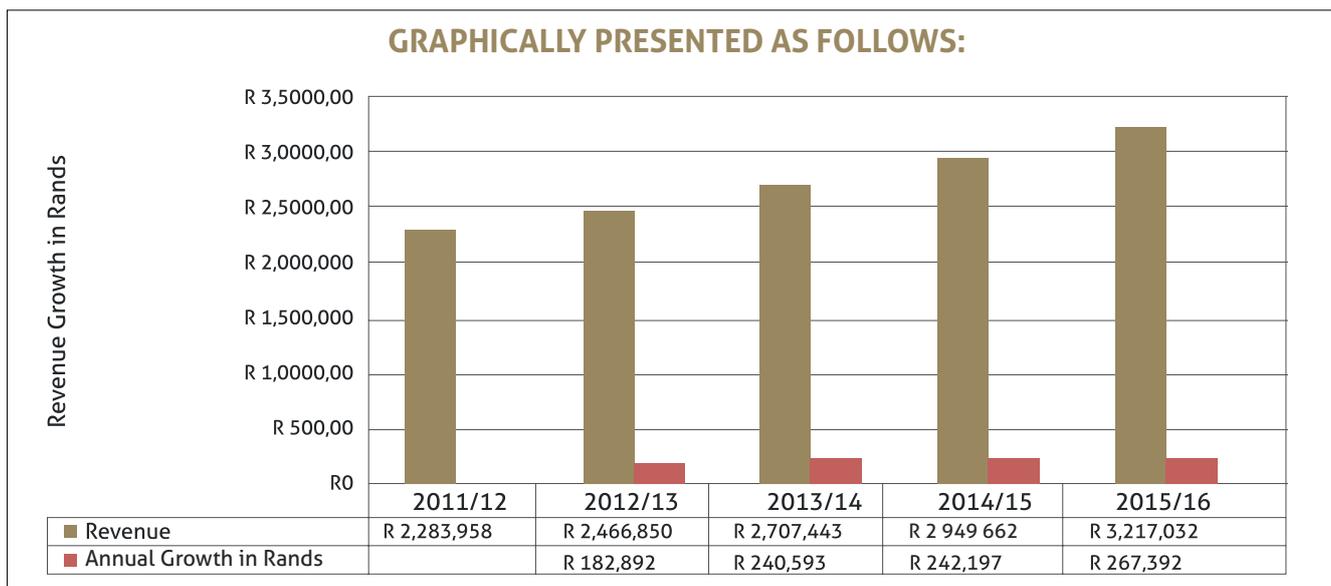
A draft notice detailing the new fees and implementation dates thereof was submitted to the state law advisor for certification. The notice was published in the Provincial Gazette giving the general public 30 days to comment. The notice was tabled before the legislature as per the requirements of the Gauteng Scrutiny of Subordinate Legislation Act, 2008 (GSSLA). Thereafter, approval was received for publication and implementation.

- **Revenue Maximisation**

The GDRT adopted a revenue maximisation strategy that is driven by four pillars: cost minimisation, efficient revenue collection (i.e. use of technologies, specifically RIMS) and tariff reviews, stakeholder inclusion and data clean up. The strategy seeks to maximise revenues by focusing on internal efficiencies. As a result of the implementation year of the strategy, the Department collected net revenues of R3,217 billion in the 2015/2016 financial year. As can be seen below, there has been a steady progress in the growth of revenues as a result of the strategy.

Description	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue	R 2 283 958	R 2 466 850	R 2 707 443	R 2 949 662	R 3 217 032
Annual growth in Rand		R 182 892	R 240 593	R 242 197	R 267 392
Annual growth in percentage		8%	10%	9%	9%

GRAPHICALLY PRESENTED AS FOLLOWS:



Strategic objectives

Programme Name: Transport Regulation					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Transport Administration and Licensing					
Provincial Indicators					
To modernise regulatory services that are accessible, reliable and customer centred.	*	1 Kagiso	0	1	Project delayed due to contractor's management of the works on site and delayed payment by DID/DRT which affected cash flow and impacted on progress on site.

Performance indicators

Programme / Sub-programme: Transport Regulation					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Transport Administration and Licensing					
Provincial Indicators					
Number of existing DLTCs refurbished	*	2 (Temba and Mabopane completed)	Refurbishment of Temba completed	1	Mabopane DLTC section partially completed due to unavailability of the eNaTIS system.
National Indicator					
Number of compliance inspections conducted	120	120	120	-	-
Provincial Indicator					
Agency fee review report submitted to Treasury	*	1 report	0	1	The report is complete, presented to the Project Steering Committee which consists of municipalities, DRT, Treasury and Senior Executive Management Team. Awaiting final presentation to MEC/ MMC forum before submission to the Provincial Treasury.

Strategic Objective 2: To regulate public transport services and public transport operators to achieve safe and reliable transport services.

SUB-PROGRAMME: OPERATOR LICENCE AND PERMITS

TOLABs are established with the purpose to ensure easy access to services for public transport operators and to fast-track public transport transformation. Koedoespoort is an existing TOLAB located at Tshwane in the Northern Corridor. The conversion of the maintenance workshop into TOLAB offices in Koedoespoort is in progress. This facility will be utilised as a temporary TOLAB to provide services to the Tshwane community whilst the main TOLAB situated on the corner of Johannes Ramokhoase and Es'kia Mphahlele Streets is being upgraded.

Operating Licences

In order to regulate public transport services and public transport operators to achieve safe and reliable public transport, the Department issued a total of 10,011 permits/operating licences and 6,269 operating licences through the permit conversion process for all public transport modes.

Registration and Monitoring

The registration of all public transport modes is a form of regulating all public transport operators and associations. The registration process' purpose is to ensure that only legally registered public transport operators and associations operate on allocated routes and ranks. 15 (Fifteen) minibus taxis were fully registered and 2,290 Non-Minibus Taxi Operators were registered and legalised.

The formalisation of minibus taxi operators through democratic associations is also aimed at ensuring good governance and accountability by the associations and its members. The verification and auditing of routes ensure that the public transport operators and associations conduct their operations on their allocated and registered routes in accordance with the conditions stipulated on their operating licences. A total of 706 routes were audited and verified.

Strategic objectives

Programme Name: Transport Regulation					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
SUB-PROGRAMME: Operator Licence and Permits					
Provincial Indicators					
To regulate public transport services and public transport operators to achieve safe and reliable transport services.	11 214	9 500 Permits/OL's issued.	10 011 Permits/OL's issued.	+511	More applications were received for operating licences.
	3 446	4 000 Permits converted.	6 269 Permits converted.	+2,269	More compliant applications were received for permit conversions.

Performance indicators

Programme / Sub-programme: Transport Regulation					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
SUB-PROGRAMME: Operator Licence and Permits					
Provincial Indicators					
Registration and Monitoring					
Number of fully registered minibus taxi associations in the Gauteng Province by 2019.	30	15	15	-	-
Number of audited monitored routes completed by 2019.	729	900	706	194	The Department audited fewer routes due to delays and non-cooperation by the minibus taxi industry. We intend to audit and verify the routes independently and rely less on the associations.
Number of non-operators of minibus taxi modes registered by 2019.	*	460	2 290	+1 830	Increased number of registration of Charter services including Uber Transport operators resulted in the Department exceeding its target.

Strategy to overcome areas of underperformance

Indicator	Proposed intervention
Establishment of DLTCs.	A new payment process is being initiated for client departments to pay contractors directly to expedite payments.
Number of existing DLTCs refurbished (Mabopane).	Continue engaging NDoT and Road Traffic Management Corporation (RTMC) to resolve the eNaTIS matter.
Agency fee review report submitted to Treasury.	The report was completed and presented to the Project Steering Committee which consists of municipalities, Treasury and DRT Senior Executive Management. Awaiting final presentation to MEC/MMC forum before submission to the Provincial Treasury.
Number of audited monitored routes completed by 2019.	The Department will continue engaging with taxi associations and the minibus taxi industry with regards to auditing and verifying of routes.

Changes to planned targets

None.

Linking performance with budgets

The programme underspent by R37 million in 2014/2015 and by R6 million in 2015/2016, which both constitutes 2% of the allocated budget. The underspending was because the Department did not make the payment for the software licences due to the fact that the amount that was claimed by the GDF was much higher than the departmental staff's usage. The IT unit is still solving the issue with the GDF and this will be settled in the new financial year.

Programme expenditure

Transport Regulation	2015/2016			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
TRANSPORT ADMINISTRATION AND LICENCING	202 229	196 377	5 852	163 966	161 897	2 069
OPERATOR LICENCE AND PERMITS	66 529	65 979	550	78 869	44 096	34 773
TOTAL	268 758	262 357	6 401	242 835	205 994	36 842

4. TRANSFER PAYMENTS

4.1 Transfer payments to public entities

Name of public entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	R'000
Gautrain Management Agency	The management, coordination and oversight of the Gautrain project.	R1 561 451	R1 561 451	-

5. CONDITIONAL GRANTS

5.1 Conditional grants and earmarked funds received

The table below describes each of the conditional grants and earmarked funds received during the period 1 April 2015 to 31 March 2016.

Public Transport Operations Grant

Department/ Municipality to whom the grant has been transferred	Gauteng Department of Roads and Transport
Purpose of the grant	To provide supplementary funding towards public transport services provided by the Department.
Expected outputs of the grant	Movement of people through an efficient, effective and affordable public transport network that is accessible, reliable and safe.
Actual outputs achieved	Planned Targets (Kilometres) = 101,296,704 and achieved is 97,208,974.3 Planned Targets (Trips) = 1,934,128 and achieved is 1,860,311 Planned Targets (Routes) = 3,047 and achieved is 3,047 Note: The deviation is as a result of kilometres or trips which were not operated (DNOs - did not operate).
Amount per amended DORA	R 1,879,761,000,00
Amount transferred (R'000)	R 1,879,761,000,00
Reasons if amount as per DORA not transferred	-
Amount spent by the Department/ municipality (R'000)	R 1,850,018,000.00
Reasons for the funds unspent by the entity	Funds have been spent and the balance has been re-allocated for recapitalisation of old bus fleet.
Monitoring mechanism by the transferring Department	-

Provincial Roads Maintenance Grant

Department/ Municipality to whom the grant has been transferred	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 provincial roads infrastructure
Actual outputs achieved	136,358.18 m ² of blacktop batching and 102.32 km of re-gravelling
Amount per amended DORA	-
Amount transferred (R'000)	R455,821,000.00
Reasons if amount as per DORA not transferred	-
Amount spent by the Department/ municipality (R'000)	R455,091,000.00
Reasons for the funds unspent by the entity	-
Monitoring mechanism by the transferring Department	Technical projects management teams

Expanded Public Works Programme Infrastructure Grant (EPWP)

Department/ Municipality to whom the grant has been transferred	National Treasury and National Department of Transport
Purpose of the grant	Job creation
Expected outputs of the grant	Jobs created
Actual outputs achieved	3,611
Amount per amended DORA	None
Amount transferred (R'000)	R2,519,000.00
Reasons if amount as per DORA not transferred	-
Amount spent by the Department/ municipality (R'000)	R2,516,000.00
Reasons for the funds unspent by the entity	-
Monitoring mechanism by the transferring Department	Projects monitoring team

6. CAPITAL INVESTMENT

6.1 Capital investment, maintenance and asset management plan

The Department has completed the following Infrastructure Projects

DLTCs

The upgrade of the Temba DLTC was completed. The Mabopane DLTC section was only partially completed due to unavailability of the eNaTIS system.

Roads

- P4-1(Nederveen Rd (R103) from Leondale and Forsdick Roads (R554) to Barry Marais Road (R21);
- Rehabilitation of road P39/1 between Laudium (Erasmia) and Krugersdorp (Diepsloot);
- P3-6: Rehabilitation of Road P3-6 (N12) from P111-1 (R50) to North West border;
- Rehabilitation of road P6/1 (R25) Kempton Park to Bronkhorstspuit;
- D1027: Rehabilitation and upgrade of Road D1027 (Cedar Road); and
- The Rehabilitation of (approximately 9,54 km) of Road P186/1.

Infrastructure projects that are currently in progress

DLTCs

- The last phase of the Mabopane DLTC upgrade is expected to be completed in the 2016/2017 financial year;
- Kagiso DLTC is expected to be completed in the 2016/2017 financial year;
- Sebokeng DLTC is expected to be completed in the 2017/2018 financial year; and
- Koedoespoort Lab upgrade is expected to be completed in the 2016/2017 financial year.

Roads ongoing

- K46 (P79-1) K46 (P79-1): Upgrade from single to dual carriageway of Road K46 (P79-1) William Nicol from PWV5 to Diepsloot/N14 - Phase 2: Project is expected to be complete in the 2017/2018 financial year,
- Upgrading from single to dual carriageway of Road K57 (R82 (P1/1)) from Walkerville to De Deur - Phase 1B: Project is expected to be completed in the 2016/2017 financial year; and
- Rehabilitation of Road P158/2 (N14) from Diepsloot (km20.7) to Hendrik Potgieter intersection (KM 41.49): Phase 1: Project is expected to be complete in the 2016/2017 financial year.

Plans to close down or down-grade any current facilities,

None.

Progress made on the maintenance of infrastructure

- Maintenance services related to electrical, plumbing, sewerage and carpet deep cleaning were rendered at Derek Masoek Centre, Tshwane TOLAB, Krugersdorp, Vereeniging, Koedoespoort, Bronkhorstspuit, Benoni, Ga-Rankuwa and Zwartkop regional offices;
- Cleaning services: Deep cleaning of carpets at Vereeniging, Heidelberg, Benoni and Bronkhorstspuit regional offices, as well as Derek Masoek Centre; and
- Successful replacement of split air-con units at the following regional offices: Derdepoort – 5 (five) units; Koedoespoort – 25 (twenty-five) units; Xavier Junction DLTC – 10 (Ten) units.

Developments relating to the above that are expected to impact on the Department's current expenditure.

The above projects will continue in the 2016/2017 financial year and have been budgeted for over the MTEF. These projections are contained in the MTEF Estimates of Capital Expenditure (ECE) report.

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

The Department performed a physical asset verification of all its moveable assets:

- The physical asset verification process started on the 28th of October 2015 and was completed on the 17th of March 2016;
- A total number of 22,413 moveable assets were verified which includes road construction vehicles, maintenance and machinery and equipment;
- The Department employed the services of CSIR and CORE JV to assist with visual and condition assessment on roads and bridges;
- Monthly reconciliations between the fixed asset register and the financial accounting system (BAS) are performed;
- Monthly Section 40 reports are submitted to the Provincial Treasury; and
- The Department has introduced a checklist for capturing of assets on the fixed asset register which assists in ensuring that all purchased assets are accurately and completely captured.

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 holding amounts to R26,410,334,702.04. This amount mainly comprises roads, bridges and proclaimed land, whilst the amount of R31,270,548.05 relates to various categories of moveable assets;
- An amount of R195,416,022.11 was spent on purchase of road maintenance vehicles and construction machines to upgrade the existing fleet and replace old and redundant machines;
- A total number of 5,862 obsolete and redundant assets were disposed of through public auction; and
- Assets that are reported lost or stolen are reported on the loss register and were submitted to the Fraud and Corruption Unit for investigation.

The current state of the Department's capital assets.

- 70% of the DRT buildings including the regional offices are in a fair to poor condition due to lack of structural maintenance; and
- 30% of the newly renovated and new buildings are in a good and acceptable condition.

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

- Revamping of Koedoespoort Lab; and
- Renovations of roof replacement; painting; and electrical overhauling of some sites.

Progress made in addressing the maintenance backlog during the period under review.

The maintenance backlog decreased due to the ongoing provision of the PRMG.

User Asset Management Plan (U-AMP).

The U-AMP is developed in compliance with the GIAMA Act no. 19 of 2007, to ensure effective and efficient immovable asset management and coordination of the use of immovable assets with the service delivery objectives of the Department.

The U-AMP optimises the cost of service delivery by:

- Ensuring accountability for capital and recurring works;
- Recording the acquisition, reuse and disposal of immovable assets;
- Addressing the maintenance of existing immovable assets;
- Protecting the environment and the cultural and historic heritage; and
- Improving health and safety in the working environment.

Infrastructure projects	2015/2016			2014/2015		
	Final Appropriation R'000	Actual Expenditure R'000	(Over) / Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over) / Under Expenditure R'000
New and replacement assets.	78 818	241 380	-162 562	42 788	37 899	4 889
Existing infrastructure assets.	-	-	-	-	-	-
Upgrades and additions.	590 134	414 178	175 956	361 101	373 103	-12 002
Rehabilitation, renovations and refurbishments.	683 392	761 768	-78 376	537 698	527 720	9 978
Maintenance and repairs.	676 331	603 078	73 253	704 417	722 587	-18 170
Infrastructure transfer.	-	-	-	-	-	-
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
TOTAL	2 028 675	2 020 404	8 271	1 646 004		-15 305



PART

C:

GOVERNANCE

1. INTRODUCTION

Commitment by the Department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the Department has good governance structures in place to effectively, efficiently and economically utilise the state resources, which is funded by the tax payer.

2. RISK MANAGEMENT

- The Department has a risk management policy and strategy.
- Regular risk assessments are conducted to determine the effectiveness of the risk management strategy and to identify new and emerging risks.
- The Department has a Risk Management Committee that is chaired by an independent person and advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk.
- The Audit Committee advises the Department on risk management and independently monitors the effectiveness of the system of risk management.
- In the year under review, the Department has made progress in the management of risks which has translated into minimal but progressive improvements in the Department's performance.

3. FRAUD AND CORRUPTION

The Department's fraud prevention plan and the progress made in implementing the fraud prevention plan

- ✓ The Department has an approved Fraud Prevention Plan (FPP), as approved by Senior Management and signed off by the Head of Department;
- ✓ A plan was developed for the implementation of the FPP;
- ✓ Each investigator was assigned a branch and regular interaction has to take place to establish whether the internal controls in place are effective and to implement additional internal controls to mitigate the risks identified;
- ✓ The FPP is implemented by the various branches of the Department, including g-Fleet;
- ✓ The Ethics, Anti-Fraud and Corruption Unit (EAFC) monitor's progress, makes interventions and advises line managers at branch level; and
- ✓ Progress to date by most Chief Directorates is emphasis on internal controls for prevention and detection of any irregular and fraudulent activities and transactions, in line with the DRT Anti-Fraud and Corruption Policy, the Ethics Policy and Whistle Blowing Policy.

Mechanisms in place to report fraud and corruption and how these operate.eg: whistle blowing - The need for officials to make confidential disclosure about suspect fraud and corruption

- ✓ The National Anti-Corruption Hotline (0800 701 701);
- ✓ The Premier's hotline (0860 42 88 364);
- ✓ The Presidential Hotline (17737); and
- ✓ An email facility (GPDRAntiFraud@gauteng.gov.za ; GPRoads.Transport@gauteng.gov.za)

The EAFC Unit relies on the National Anti-Corruption Hotline (under the auspices of the Public Service Commission) of the, Premier's Hotline (under the auspices of GDF) in Gauteng.

GDRT is also receiving such confidential reports through the official electronic platforms of the Department and they are duly forwarded to the EAFC Unit for investigation and resolution.

The EAFC Unit attends to these reports with strict and unconditional adherence to the principles and guidelines outlined in the DRT Whistle Blowing Policy to ensure the complete anonymity of the whistle blower.

The EAFC Unit provides quarterly reports on all such cases to the Office of the Premier, GDF and the Provincial Anti-Corruption Coordinating Committee (PACCC).

How these cases are reported and what action is taken

Incidents are reported through anonymous calls to the National Anti-Corruption Hotline, the Premier's Hotline and the Presidential Hotline or through emails via the official DRT electronic platforms. Each case is allocated to an investigator who handles the case until its conclusion.

4. MINIMISING CONFLICT OF INTEREST

Human capital is the most valuable asset of the Department. A workforce that asserts a strong ethical culture in the work environment is the best deterrent against fraud, corruption and any other threat which could compromise the government or let citizens down in any way.

The Department therefore first and foremost holds its SMS members accountable to a higher code of conduct and expects them to lead by example. The Department for instance diligently monitors the e-Disclosure of its SMS members' registerable interests through the Office of the MEC and the Office of the Head of Department (HoD) - to minimise conflict of interest at this level. The MEC and HoD follow a zero tolerance approach towards Remunerated Work Outside of Public Service (RWOPS). SMS members are strongly discouraged to perform RWOPS that could in any way impact the performance of their contractual obligations as employees of the Department negatively.

During the disclosure period (2014/15), 57 out of 61 SMS members submitted or e-Filed their registerable financial interests. Three of the four who did not e-Disclose were on suspension and one was on maternity leave.

5. CODE OF CONDUCT

The Code of Conduct for the public service is developed by the Public Service Commission (PSC) to promote a high standard of professional ethics in the Public Service. The Department implemented this code and managers ensure that all staff members adhere to it. The ethical principles contained in the code are applicable to all DRT employees.

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 prescribe 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.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

All the statutory appointments were made and OHS training was conducted for the 129 appointees from all four branches and g-Fleet. The focus of the training was on Safety, Health and Environment representatives (SHE reps), OHS training for managers, First Aid and transport of dangerous goods.

The Department has an approved policy on OHS and a committee was established in line with the OHS Act to oversee implementation of this policy. The Department's Head Office building, Sage Life, has poor ventilation due to lack of air-conditioning. As a result, employees embarked on an official strike for a period of one week. The Department is currently working with the DID on identifying a new building for all these employees.

7. PORTFOLIO COMMITTEES

Date of Meeting	Matters raised by the Portfolio Committee	Department's Response
18 th August 2015	The Department should update the Committee on the eight affected contracts that were not renewed by PUTCO, and measures in place to curb similar challenges in future.	<p>The eight affected contracts that were not renewed by PUTCO were taken over by Autopax effectively from the 1st of July 2015 to the 30th of September 2015. Autopax encountered serious challenges upon commencement of their operations in Mamelodi due to blockades by the taxi industry in the area initiated by the two main taxi associations operating in Mamelodi, namely Mamelodi Amalgamated Taxi Association (MATA) and Mamelodi Local and Long Distance Taxi Association (MALLDTA). Passengers were stranded due to unavailability of buses as some of them were stoned and damaged resulting in passengers having to use alternative public transport.</p> <p>In the other two regions of Ekurhuleni and Sedibeng, operations started smoothly and there were no interruptions by the taxi industry. The only challenge was that Autopax drivers were not familiar with the routes and had to rely on passengers for directions. This resulted in many shifts operating late.</p> <p>Section 197 of Labour Relations Act as Amended</p> <ul style="list-style-type: none"> · Urgent Application filed by the South African Transport and Allied Workers Union and PUTCO against the Department, Autopax and others – a declaratory order being sought by PUTCO – a transfer in terms of S197 of the LRA as amended · Matter set down for 30th June 2015. <p>Matter stood down on from 30th June to 2nd July 2015. New representation arranged and matter argued on 2nd July 2015. Judgment reserved. Judgment delivered on 15th July in favour of the Department.</p> <p>Taxi Industry and Autopax Contract</p> <ul style="list-style-type: none"> · The taxi industry objected to the appointment of Autopax · Mamelodi depot could not operate due to intimidation by the taxi industry · Autopax resumed normal operations after Imbizo of 5th July 2015 addressed by the Premier, Mayor and various community members, including Taxi Association representatives. · Security was reinforced during the first two weeks of operation. · Taxis not complying with Road Traffic Regulations were impounded and on 11th July it was agreed that impounded vehicles will be released - provided that all legal requirements for release were met by the respective taxi owners and that a Joint Working Committee will be established and chaired by Premier. · Taxi industry was requested to submit refined proposal to the DRT within four weeks – but the DRT is yet to receive the proposal.

		<p>A notice of notion was filed by the Gauteng National Taxi Alliance and Mamelodi Transport Solutions against the Department and Autopax. A declaratory order sought to review and set aside the decision to appoint Autopax and direct the Department to publish, evaluate and adjudicate an open tender for the provisioning of public passenger services for eight contracts. The Department is defending the case.</p> <p>Current Funding Situation</p> <ul style="list-style-type: none"> · The current PTOG is a supplementary grant for subsidised bus service contracts. · R1, 8 billion allocated to Gauteng for 2015/2016. · R19, 824 million allocated for 3-month contracts with Autopax. <p>Current Operations</p> <ul style="list-style-type: none"> · Autopax is currently operating with 73 peak buses and utilises an additional 5 buses as their spare capacity. · Permits issued by Provincial Regulatory Entity · Autopax recruited and trained the bus drivers · Increased number of passengers on all Autopax contracts · Ticket sales are currently conducted at the identified trained stations in all the operations of Autopax, i.e. different points within the area of Mamelodi, namely, Denneboom Station, Gardens Station, Pienaarspoort Station and at their Mamelodi Depot
		<p>Operational Challenges</p> <ul style="list-style-type: none"> · Autopax have not acquired Electronic Ticket Machines to enable them to sell their tickets electronically on-board. They have however reported that 50% of their buses will be equipped with Electronic Ticketing Machines by the end of August 2015 and a further 50% will be installed by the end of September 2015. · Autopax reported that prior to their withdrawal of service, PUTCO unfairly and deliberately reduced their fares, which influenced their initial fare structure, as they did not want to disadvantage the commuters. This implies that Autopax charged similar fares as those reduced by PUTCO in their last months, for the period of July 2015, which also applied for the month of August 2015. Autopax commenced with consultations with the commuters to inform them of the readjustment of fares to the initial fares that were charged by PUTCO prior to the last reduction referred to above. <p>Measures put in place to curb similar challenges</p> <p>The DRT is currently in the process of negotiating 7-year contracts for all subsidised bus operations. Once the process is concluded, all subsidised bus services in the province will be bound by such contracts.</p> <p>A Public Transport Technical Committee was established to develop a common policy framework on the future subsidising of public transport in the province and make recommendations on the procedures to follow to conclude long-term subsidised contracts with public operators. The committee comprises officials from the Office of Premier, the Department, the National Department of Transport, National Treasury, Provincial Treasury, the municipalities, Department of Education, Department of Economic Development, Department of Community Safety and the CSIR -</p> <ul style="list-style-type: none"> · Political Committee was established. · Engagements with the taxi industry on the integration of the industry in the public transport system in the province to be continued - through the Joint Working Committee established by the Premier. · Since the current contract between the DRT and Autopax is for a period of 3 months only, DRT is currently looking at possible options for a long term solution that could include:

		<ul style="list-style-type: none"> • Going out on tender; • Devolvement of the contracts to Municipalities; or • Negotiation of an extension of Autopax's current contract for a longer period.
03 rd March 2016	The Department should provide a progress report on the Tasima court case which is affecting the refurbishment of the existing DLTCs.	<p>On 2nd July 2015, the Department forwarded a letter signed by the HOD to the RTMC requesting a meeting to discuss the issues at hand. Subsequently, various letters have been forwarded without a response.</p> <p>A meeting was then scheduled for 20th July 2015 by the CEO of the RTMC's office. The RTMC was unable to provide a response to the issues addressed in our letter and indicated that a formal (written) response will be submitted to the Department and that a meeting will be scheduled with all provinces for 29th July - to address the issues raised by the various provinces.</p> <p>A meeting invite was then issued for 7th August with the following subject: "RTMC meeting with Provinces on eNaTIS matter". On the day of the meeting, we were informed that the meeting has been combined with the COTO meeting attended by HODs. DDG Hlabisa provided a verbal progress report and pleaded with provinces to not engage with Tasima on any eNaTIS related matters. The DDG pointed out that the NDoT was still tied up in court proceedings with the service provider and promised formal communication on the matter. No formal communication has since been received. Thereafter, a follow up inquiry was forwarded to the RTMC and NDoT via email and the only official response we received merely indicated that information can only be supplied by Mr Hlabisa's office. To date, we have not received any further response from his office or the RTMC.</p>
	The Department should provide a progress report on the West Rand subsidy project.	<ul style="list-style-type: none"> • An assessment of the viability of the service was completed. Indications are that the service will not be financially viable. • An assessment of the viability of the service was completed. Indications are that the service will not be financially viable. • A review on alternative designs for the service will be conducted, to further evaluate the alternative viability of the designs, with inputs from local municipalities and the district. • Reference must be made to a detailed assessment report on the viability of the service. (Report attached).
27 th November 2015	The Department should provide a report on the TASIMA case which is affecting the opening of Temba DLTC and Mabopane DLTC.	The judgement has been reserved. A final outcome is apparently expected during this week. However constructions of both centres are at 99% complete and expected to be finalised at the end November 2015.
03 rd March 2016	The Department should provide a detailed report on the challenges experienced by applicants/motorists in the Provincial Licensing Centres which results in long queues.	<p>The standard operating procedure at the licensing centre is that any service goes through the Life Capturing Unit (LCU). The LCU first conducts an eye test and captures finger prints and an image of an applicant. If one or some of the LCU machines are out of order, it impacts on queues. There are often also only one or two machines to service a hundred or more applicants.</p> <p>As is the case with any other testing centre, and in particular a LCU, there are issues with equipment. It becomes outdated, breaks intermediately and needs maintenance on a regular basis. The machines were due for replacement in 2015 but due to contractual issues between the NDoT and TASIM A, this did not take place. Lastly, the eNaTIS system itself is frequently interrupted or down. In instances like these, procedure requires that calls are logged with TASIMA for resolution and queues cannot move until such time that it is resolved.</p>

05 th February 2016	Provide the Committee with a progress report on the developments in addressing the backlog.	<p>It was established that besides the ineffectiveness of the NLTIS, one of the main reasons for the accumulated backlog is that a great number of applications were received and accepted either incomplete, or without the necessary supporting requirements. To address this issue, the Department contacted the relevant operators through SMS, e-mails, registered letters or letters to individual associations, requesting that the outstanding information is submitted within 21 days. Should an operator fail to do so, the incomplete application is sent to the PRE for rejection. The operator is then compelled to apply anew.</p> <p>Ever since, help desk stations have been capacitated with personnel and equipment to ensure that verification of an application is conducted whilst the operator is still present and no incomplete applications are accepted.</p>
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8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
5.1.1.2		<p>The Department provides the Committee with a report containing the schedule of creditors not paid within 30 days and an explanation of such non-payment within 30 days of adoption hereof as well as a quarterly progress detailing the effectiveness of measures put in place in addressing challenges related to the payment of suppliers.</p>	<p>The above table is indicative of the improvements that have been made by the Department in paying service providers timeously throughout the year. It is only in quarter one (Q1) where the average of accruals older than thirty (30) days was slightly above 1%.</p> <p>The Department will continue to introduce and adopt effective measures to improve turnaround times and ensure compliance with laws and regulations. At the end of the last quarter of 2014/2015, an average of 96% of service providers were paid within 30 days. This further demonstrates the effectiveness of internal controls implemented around payment processes.</p> <p><u>Measures implemented</u></p> <p>The continuous decline of the quantity and aggregate values of outstanding invoices that are older than thirty (30) days on a quarterly basis attests to the effectiveness of the measures implemented by the Department to address the non-compliance with laws and regulations.</p> <p>The prevalent non-compliance matter relates to the below two (2) reasons:</p> <ol style="list-style-type: none"> 1. REASON FOR THE NON COMPLIANCE: Payments delayed due to expired tax clearance certificates (TCCs). – Payments delayed by branches within the Department. 2. REMEDIAL ACTION/MEASURE: The issue of the validity of a TCC is to a large extent dependent on the tax position of the relevant entity. The finance branch always encourages and assists service providers to submit valid TCCs on time. <p>In all meetings held with various Departments we have advised the end users to keep records/register of the validity period of TCCs per service provider and advise the service providers a month before expiry to update it. Monthly exception reports are generated and reported to the Head of Department.</p> <p>Letters to institute disciplinary actions against defaulting officials are issued.</p> <p>With effect from the 2015/2016 financial year, the Department has initiated an electronic invoicing system, which will be implemented in phases. Once implemented, the payment cycle is expected to be reduced by 5 – 10 days.</p>	Yes

5.2.1.1		<p>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.</p>	<p>1. Background: The non-compliance with Section 40(1) (a) of the PFMA cited by the Auditor-General of South Africa on the above paragraph largely emanates from the misstatements identified in respect of immovable assets and accruals.</p> <p>2. Action plan: To a large extent the Finance Department is reliant on information that is submitted by the different departments when preparing the annual financial statements. All departments have been requested to ensure that the following is implemented:</p> <ul style="list-style-type: none"> · All supporting schedules used during the preparation of the financial statements must be signed off by the respective Deputy-Director Generals within the Department prior to submission to the Finance Department for consolidation. · The Head of Department must ensure that consequence management principles are applied when officials fail in their daily responsibilities, such as the preparation and review of reliable and accurate information. · Furthermore, 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. Progress to date:</p> <ul style="list-style-type: none"> · During the current financial year, the Finance Department, in coordination with the relevant Departments, has been intensely reviewing all key disclosure notes thereby ensuring that each disclosure is adequately supported by applicable information. · Monthly and quarterly financial statements have been prepared and thoroughly reviewed to detect and prevent errors. Monthly financial statements for the preceding eleven (11) months were submitted to both the Chief Financial Officer and Accounting Officer for review and approval respectively. · 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. · 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. · 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. · 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. 	Yes
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			<ul style="list-style-type: none"> 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. In addition, please refer to the response in recommendation 5.3.1 to determine progress made thus far in terms of ensuring there is no recurrence of material misstatements in the annual financial statements. 	
5.2.2.2		<p>The Department provides the Committee with a progress report detailing the effectiveness of measures put in place in addressing challenges related to the payment of suppliers within 30 days of adoption hereof and a quarterly progress report.</p>	<p>The above table depicts significant improvements from the compliance rate of 81% achieved in the 2012/2013 financial year to 96% achieved in the year under review.</p> <p>1. <u>Progress to date:</u></p> <p>The payment processes adopted by the Department during the 2013/2014 financial year did not significantly change during the 2014/2015 financial year. These processes merely intensified such that the Finance Department was able to conduct more regular meetings with all Departments and Gauteng Department of Finance: (Accounts payable) with the intensified objective of expediting the payment cycle for all authentic claims/invoices.</p> <p>As depicted in the table below, during most of the months in the 2014/2015 financial year, the Department has managed an average of in excess of 90% of payments within 30 days</p> <p>Although the Department has achieved 96% compliance rate in paying service providers, management is of the view that there is still room for improvement. It is however important to draw the attention of the Committee to the fact that in some instances delays are as result of a failure by service providers to submit valid TCCs and amendments of company profiles without filing and submitting the necessary documents at the Gauteng Department of Finance: Vendor Management and Development. These challenges have a negative impact on the Department's ability to pay service providers within the 30 day period.</p> <p>2. <u>Proposed intervention to enhance compliance in the 2015/2016 financial year</u></p> <ul style="list-style-type: none"> Finance will continue to regularly meet with core Departments to assist and sensitise officials to submit invoices timeously Finance will continue to report defaulting officials to the Accounting Officer for institution of corrective measures Introduction of an automated payment process for all routine payments such as office rental, municipality charges, security services, etc. With this new process once the Goods Receipt Voucher (GRV) has been captured on the financial system, invoices will automatically be created by the system. As soon as this is implemented, the process is expected to reduce the period it takes to pay a supplier by 5 to 10 days. 	

			<ul style="list-style-type: none"> Introduction of electronic invoicing system (E-invoicing). With this system, service providers will be able to submit their invoices directly onto the financial system. Once implemented, this process is also expected to reduce the period it takes to pay a supplier by 5 to 10 days. <p>The last 2 (two) interventions are currently being implemented in collaboration with the Gauteng Department of Finance. The implementation process will be done in phases.</p>	
5.2.3.1		The Department provides the Committee with a report containing a schedule of receivables from other Departments and institutions within 30 days of adoption hereof as well as a quarterly progress report detailing the effectiveness of measures put in place to prevent irregular expenditure	<p>1. <u>Background:</u></p> <p>The main inter-Departmental receivable reported by the Department relates to a 4-year old debt recoverable from the Gauteng Department of Infrastructure Development (GDID). The closing balance for the 2013/2014 financial year was R77.409 million relating to goods and services paid on behalf of the latter during the reconfiguration process in the 2009/2010 financial year.</p> <p>2. <u>Progress to date:</u></p> <p>The Department undertook a conscious decision to write-off R59,560 million of the opening balance of the GDID debt based on the concept of recoverability of the debt and in line with the settlement agreement concluded by the MECs of both Departments.</p> <p>Monies in respect of debts relating to Northwest Department of Roads and Transport and g-Fleet Management are expected to be received during the first quarter of the 2015/2016 financial year.</p>	Yes
	Unauthorised Expenditure	Noting that the AG will initiate inventory audits in 2017, has the Department developed a strategy/plan for the readiness of inventory audits?	<p>Yes</p> <p>During the last financial year, the Department identified the need for significant focus on inventory management with the Department and its regional offices. The Department drafted, approved and commenced with the implementation of an inventory management policy which deals with the safeguarding, recording and accounting for all items of inventory. Currently, the Department is in the process of drafting a standardised procedure manual which will guide officials on their daily management of inventory.</p>	Yes.
	Procurement Plans	Noting that the Department had submitted a signed procurement plan to Treasury by the prescribed deadline of 30 April 2015: Has the Department submitted its bi-annual report which is due at the end of September 2015?	The Department effectively monitors its signed procurement plan on a monthly basis. The bi-annual report for 2015/2016 is due to Provincial Treasury on the 15 th of October 2015. However, the Department has already completed this report and commits to ensure its submission within the due date.	Yes.
	Procurement Plans	Will the Department be in a position to develop specifications for 2016/2017 planned projects/activities in the fourth quarter of this financial year for advertising in the first quarter of the 2016/20 financial year.	<p>Yes.</p> <p>The Department has already begun with this process during the fourth quarter of the 2014/2015 financial year. This ensures that Provincial Treasury provides funding only for projects that have shown a state of readiness to implement. Further, the 2015/2016 procurement plan includes projects that will be advertised during this financial year but will only commence with implementation during the 1st quarter of 2016/2017. This depicts the Department's commitment to early planning and timeous implementation.</p>	Yes

9. MATERIAL NON-COMPLIANCE INDENTIFIED IN THE PRIOR YEAR

Material non-compliance identified in the prior year	Financial year in which it first arose	Progress made in clearing / resolving the matter
Effective steps not taken to prevent fruitless and wasteful expenditure	2014 / 2015	Stringent levels of internal controls were implemented. However the threat of pending litigation cases against the Department continues to pose a high level of risk.
Competitive bids were not always advertised through the government tender bulletin and CIBD website	2014 / 2015	An improved level of internal controls was implemented. Currently, the risk of a repeat finding is mitigated.
Performance evaluation reports in respect of conditional grants were not submitted timeously	2014 / 2015	An improved level of internal controls was implemented. Currently, the risk of a repeat finding is mitigated.

10. INTERNAL CONTROL UNIT

- In accordance with the requirements of the PFMA, and best practice, the Department has a fully resourced internal audit function.
- The Internal Audit performed its audits according to the approved Internal Audit coverage plan. The Plan was based on high risk areas as per the strategic risk profile.
- The Head of the Department was appointed who is responsible for strategic and administrative support to the Internal Audit function.
- There is an on-going process for identifying, evaluating and managing the significant risks faced by the Department.
- All planned internal audits were completed during the year under review.
- A Compliance officer was appointed to ensure a sound compliance environment for internal and external compliance related issues.
- Administrative policies were reviewed, approved and communicated.
- Quarterly audit reports were presented to the Audit Committee for independent oversight.
- The risk management action plan was closely monitored for implementation.
- An independent Risk Management Committee chairperson was appointed.
- The Risk Management Committee provided an oversight on risk management issues.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

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.

The activities are as follows:

- Risk and compliance audit;
 - Performance Audit;
 - Computer Audit; and
 - Specify summary of audit work done
- 19 Risk, Compliance, Performance and Computer audits

- **Information Technology Risk Assessment.**

During the last quarter of the 2015/2016 financial year, GAS presented the risk-based three-year rolling internal audit plan to Audit Committee of the GDRT, having discussed it with the Accounting Officer. The Internal Audit plan was approved by the Audit Committee for implementation from the 1st of April 2016.

The table below discloses relevant information on the Audit Committee members:

	Name Qualifications	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	-	01 st of October 2009	Current	05
	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	-	01 st of October 2014	15 th of January 2016	02
	Janice Meissner	<ul style="list-style-type: none"> • Chartered Accountant (SA) • B.Com • B.Com. Honours 	External	-	01 st of October 2014	Current	05
	Japie du Plessis	<ul style="list-style-type: none"> • National Diploma: State Accounting and Finance • Registered Government Auditor 	External	-	Seconded AC Member from February 2016	Current stand-in Member for Cluster 04	01

12. AUDIT COMMITTEE REPORT

Report of the Audit Committee – Cluster 04

Gauteng Department of Roads and Transport

We are pleased to present our report for the financial year ended 31 March 2016.

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

Non-Executive Members

Name of Member	Number of Meetings Attended
Ms. Janice Meissner (Chairperson)	05
Ms. Lorraine Francois (Chairperson)	03 (Resigned 29 April 2016)
Mr. Wayne Poggenpoel	02 (Resigned 01 December 2015)
Mr. Japie du Plessis	01
Mr. Mandla Ncube	02
Ms. Tshidi Molala	03

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)	04

The Audit Committee noted that the Accounting Officer did not attend all five scheduled Audit Committee meetings and adequately delegated a proxy to attend on his behalf. The Committee was seconded with additional Members from other clusters to ensure adequate quorum and succession during the period where Member vacancy existed. 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, 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 remained the same during the year under review. This was evident by the assurance provided by Internal Audit based on the results of the audits performed that the “partially adequate and effective” audit opinion on the control environment of the Department remained the same in current year (72%) compared to the previous financial year (73%). The Audit Committee and Internal Audit further recommended that Management should put more effort into implementing agreed action plans to address the previously reported audit findings in order to improve the overall control environment within the Department.

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 report its concern as key IT positions were not filled due to the review of the department’s structure and resulted in key dependency on single individuals. Some progress was made with the implementation of the Disaster Recovery Plan and the Business Continuity Plan but still remains to be a high risk for the Department.

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. Internal audit performed 19 audits during the financial year 2015/16, and raised 106 significant findings.

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 is anticipated to be fully addressed, following the appointment of the new Chief Audit Executive.

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. 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 recommendations are at various stages of implementation.

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 address unresolved issues.

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. Janice Meissner

Chairperson of the Audit Committee

Date: 31 July 2016



PART

D:

**HUMAN RESOURCE
MANAGEMENT**

1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

Provide commentary on the following:

- The status of human resources in the department.
- Human resource priorities for the year under review and the impact of these.
- Workforce planning and key strategies to attract and recruit a skilled and capable workforce.
- Employee performance management.
- Employee wellness programmes.
- Highlight achievements and challenges faced by the department, as well as future human resource plans /goals.

The Department has appointed the following senior managers:

- Ms. Marcia Harker as the DDG Corporate Services;
- Ms. Ruth Morena as Chief Director Roads Construction;
- Mr. Victor Phala as Chief Director Roads Maintenance;
- Mr. Glad Taunyane as the Director Human Resource Planning and Administration; and
- Mr. Xolani Mlambo as the Director: Labour Relations.

The organisational structure for the Department was approved by the Executive Authority on the 31st of October 2011 and subsequently ratified by the Minister of Public Service and Administration on the 5th of November 2012. The approved organisational structure was implemented on PERSAL on the 1st of September 2013. This in turn brought about stability in terms of placing permanent staff in their respective positions and thus eradicating uncertainty amongst employees.

This structure is organised as follows:

- The Executive Authority of the MEC for Roads and Transport,
- The Accounting Officer of the Department, who is the Head of Department, is supported by four Deputy Directors General, each of whom holds a specific Branch Portfolio.
- These Branches include Roads, Transport, Corporate Services and Finance.
- Each of these Branches is supported by Chief Directorates, which in turn manage the various Directorates.

The current organisational structure however, still needs to be realigned to the new Departmental 5-year strategy to ensure that it optimally supports the implementation of the 2014 – 2019 strategy. Aligning the structure to the strategy will ultimately, enhance and accommodate the strategic deliverables of the NDP and the ITMP25.

The Department imposed a technical moratorium to clean up the 3 (three) spaces of employees who were placed out of adjustment. The process started with absorption of contract workers who are below threshold and was finalised. The next stage was the placement of out of adjustment SMS members. The process is close to being finalised as all SMS members have been linked to and placed against a vacant post within the DRT operational structure. This was immediately followed by identifying and advertising critical posts within Roads and Transport Branches. In conjunction with this process, staff members above threshold are placed in their respective stations and salary levels. Consultations are underway in order to reach an agreement province-wide.

32 DRT employees went on an illegal and unprotected strike from 9 to 14 March 2016. The strike was aborted after an interdict was granted against striking personnel. The strike had negative results on service delivery and numerous critical and urgent matters and activities were not performed as a result, which is in contradiction with the Batho Pele principles.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel related expenditure

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2015 to 31 March 2016

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	239 213	145 121	0	0	60.7	75
Gautrain	1 561 451	0	0	0	0	0
Transport infrastructure	2 177 112	242 315	0	0	11.1	126
Transport operations	2 019 168	23 783	0	0	1.2	12
Transport regulation	262 357	137 808	0	0	52.5	71
Total as on Financial Systems (BAS)	6 259 301	549 027	0	0	8.8	285

Table 3.1.2 Personnel costs by salary band for the period 1 April 2015 to 31 March 2016

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)	22 981	4.1	212	108 401
Skilled (Levels 3-5)	136 918	24.7	808	169 453
Highly skilled production (Levels 6-8)	176 201	31.8	617	285 577
Highly skilled supervision (Levels 9-12)	118 231	21.3	229	516 293
Senior management (Levels 13-16)	58 468	10.5	55	1 063 055
Contract (Levels 1-2)	8	0	0	0
Contract (Levels 3-5)	4 669	0.8	1	4 669 000
Contract (Levels 6-8)	900	0.2	3	300 000
Contract (Levels 9-12)	2 035	0.4	2	1 017 500
Contract (Levels 13-16)	4 206	0.8	3	1 402 000
Periodical remuneration	21 289	2.4	110	118 636
Abnormal appointments	8 067	1.5	144	56 021
TOTAL	553 973	98.4	2 184	249 878

Table 3.1.3 Salaries, Overtime, Homeowners' Allowance and Medical Aid by programme for the period 1 April 2015 to 31 March 2016

Programme	Salaries		Overtime		Homeowners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration (pr1)	10 335	79.8	5	0	339	2.6	285	2.2
Administration**old	123 133	72.7	198	0.1	6 226	3.7	5 326	3.1
EPWP**old	1 409	82.3	0	0	13	0.8	11	0.6
Maintenance	102 367	66.7	0	0	9 317	6.1	10 324	6.7
Public transport	16 630	74.3	0	0	675	3	980	4.4
Road infrastructure**old	132 725	72.1	7	0	6 591	3.6	7 529	4.1
Transport infrastructure	6 167	74.6	0	0	208	2.5	276	3.3
Transportation management (pr4)	1 887	82.2	0	0	48	2.1	15	0.7
TOTAL	394 653	71.2	210	0	23 417	4.2	24 746	4.5

Table 3.1.4 Salaries, Overtime, Homeowners' Allowance and Medical Aid by salary band for the period 1 April 2015 to 31 March 2016

Salary band	Salaries		Overtime		Homeowners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	16 020	69.1	0	0	2 315	10	1 503	6.5
Skilled (Levels 3-5)	91 145	65.9	59	0	9 594	6.9	11 034	8
Highly skilled production (Levels 6-8)	129 085	72.8	97	0.1	6 717	3.8	8 354	4.7
Highly skilled supervision (Levels 9-12)	91 306	74.5	55	0	3 146	2.6	3 201	2.6
Senior management (Levels 13-16)	48 340	81.2	0	0	1 535	2.6	654	1.1
Contract (Levels 1-2)	6	75	0	0	1	12.5	0	0
Contract (Levels 3-5)	4 303	92.2	0	0	0	0	0	0
Contract (Levels 6-8)	822	91.2	0	0	11	1.2	0	0
Contract (Levels 9-12)	1 784	83.3	0	0	6	0.3	0	0
Contract (Levels 13-16)	3 799	87.9	0	0	91	2.1	0	0
Periodical remuneration	31	0.2	0	0	0	0	0	0
Abnormal appointments	8 013	99.3	0	0	0	0	0	0
TOTAL	394 654	71.2	211	0	23 416	4.2	24 746	4.5

3.2. Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as at 31 March 2016

Programme	Number of posts approved in establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration (pr1), Permanent	33	22	33.3	0
Administration**old, Permanent	735	538	26.8	0
EPWP**old, Permanent	2	2	0	0
Maintenance, Permanent	932	757	18.8	6
Public transport, Permanent	107	57	46.7	0
Road infrastructure**old, Permanent	890	530	40.4	13
Transport infrastructure, Permanent	74	22	70.3	0
Transportation management (pr4), Permanent	2	2	0	0
TOTAL	2 775	1 930	30.5	19

Table 3.2.2 Employment and vacancies by salary band as at 31 March 2016

Salary band	Number of posts approved in establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2), Permanent	302	212	29.8	0
Skilled (Levels 3-5), Permanent	999	808	19.4	0
Highly skilled production (Levels 6-8), Permanent	943	617	34.5	11
Highly skilled supervision (Levels 9-12), Permanent	456	229	49.7	6
Senior management (Levels 13-16), Permanent	65	55	15.4	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	2	0	1
Contract (Levels 13-16), Permanent	3	3	0	0
TOTAL	2 775	1 930	30.5	19

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2016

Critical occupation	Number of posts approved in establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, Permanent	260	175	32.7	3
All artisans in the building metal machinery etc., Permanent	20	20	0	0
Appraisers-valuators and related professionals, Permanent	1	0	100	0
Artisan project and related superintendents, Permanent	26	22	15.4	0
Attorneys, Permanent	2	2	0	0
Authors, journalists and other writers, Permanent	5	2	60	0
Auxiliary and related workers, Permanent	62	43	30.6	0
Building and other property caretakers, Permanent	10	10	0	0
Bus and heavy vehicle drivers, Permanent	13	9	30.8	0
Cartographers and surveyors, Permanent	12	2	83.3	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	107	91	15	0
Client information clerks (switchboard, reception and information clerks), Permanent	9	5	44.4	0
Communication and information related, Permanent	10	4	60	0
Computer system designers and analysts, Permanent	8	6	25	0
Economists, Permanent	5	2	60	0
Engineering sciences related, Permanent	51	17	66.7	2
Engineers and related professionals, Permanent	270	57	78.9	12
Finance and economics related, Permanent	22	18	18.2	0
Financial and related professionals, Permanent	22	8	63.6	0
Financial clerks and credit controllers, Permanent	49	44	10.2	0
General legal administration and related professionals, Permanent	2	2	0	0
Head of Department/CEO, Permanent	2	2	0	0
Human resources and organisational development and related professions, Permanent	49	40	18.4	0
Human resources clerks, Permanent	38	26	31.6	0
Human resources related, Permanent	23	18	21.7	0

Critical occupation	Number of posts approved in establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Identification experts, Permanent	1	1	0	0
Information technology related, Permanent	5	2	60	0
Language practitioners, interpreters and other communication, Permanent	1	1	0	0
Legal related, Permanent	7	5	28.6	0
Library mail and related clerks, Permanent	18	14	22.2	0
Light vehicle drivers, Permanent	12	8	33.3	0
Logistical support personnel, Permanent	4	4	0	0
Material-recording and transport clerks, Permanent	26	21	19.2	0
Medical specialists, Permanent	31	26	16.1	0
Messengers porters and delivery personnel, Permanent	6	6	0	0
Motor vehicle drivers, Permanent	430	302	29.8	0
Other administrative and related clerks and organisers, Permanent	241	170	29.5	0
Other administrative policy and related officers, Permanent	23	20	13	0
Other information technology personnel. Permanent	23	20	13	0
Other occupations, Permanent	81	81	0	0
Photographic lithographic and related workers, Permanent	2	1	50	0
Printing and related machine operators, Permanent	1	1	0	0
Quantity surveyors & related professionals, not classified elsewhere, Permanent	1	0	100	0
Road superintendents, Permanent	19	9	52.6	0
Road trade workers., Permanent	21	16	23.8	0
Road workers, Permanent	598	477	20.2	0
Secretaries and other keyboard operating clerks, Permanent	67	55	17.9	0
Security guards, Permanent	2	2	0	0
Senior managers, Permanent	42	32	23.8	0
Statisticians and related professionals, Permanent	4	4	0	0
Trade labourers, Permanent	26	26	0	0
Trade related, Permanent	10	7	30	0
Water plant and related operators, Permanent	10	10	0	0
TOTAL	2775	1930	30.5	19

3.3. Filling of SMS Posts

Table 3.3.1 SMS post information as at 31 March 2016

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	-	0	-
Salary Level 16 (MEC)	1	1	-	0	-
Salary Level 15	4	4	-	0	-
Salary Level 14	11	10	-	2	-
Salary Level 13	34	35	-	8	-
TOTAL	51	51	-	10	-

Table 3.3.2 SMS post information as at 30 September 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	-	0	-
Salary Level 16 (MEC)	1	1	-	0	-
Salary Level 15	4	4	-	0	-
Salary Level 14	11	10	-	2	-
Salary Level 13	34	35	-	8	-
TOTAL	51	51	-	10	-

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2015 to 31 March 2016

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	-	0	-
Salary Level 16 (MEC)	1	1	-	0	-
Salary Level 15	4	4	-	0	-
Salary Level 14	11	10	-	2	-
Salary Level 13	34	35	-	8	-
TOTAL	51	51	-	10	-

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS positions - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2015 to 31 March 2016

Reasons for vacancies not advertised within six months
The department is currently busy with an exercise which entails the placement of excess or out of adjustment SMS members against the funded SMS vacancies.

Reasons for vacancies not filled within six months
The department is currently busy with an exercise which entails the placement of excess or out of adjustment SMS members against the funded SMS vacancies.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2015 to 31 March 2016

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within six months
None

3.4 Job Evaluation

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2015 to 31 March 2016

Salary band	Number of posts approved in 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)	302	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)	1	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)	999	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	943	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	456	0	0	0	0	0	0
Senior Management Service Band A	44	0	0	0	0	0	0
Senior Management Service Band B	16	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	2 775	0	0	0	0	0	0

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2015 to 31 March 2016

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

Employees with a disability	0
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Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2015 to 31 March 2016

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Not applicable	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				0

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2015 to 31 March 2016

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

Employees with a disability	0	0	0	0	0
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Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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3.5 Employment Changes

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2015 to 31 March 2016

Salary band	Number of employees at beginning of period-1 April 2015	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1-2), Permanent	134	88	2	1.5
Skilled (Levels 3-5), Permanent	786	81	42	5.3
Highly skilled production (Levels 6-8), Permanent	582	44	15	2.6
Highly skilled supervision (Levels 9-12), Permanent	219	4	8	3.7
Senior Management Service Band A, Permanent	38	0	1	2.6
Senior Management Service Band B, Permanent	14	0	2	14.3
Senior Management Service Band C, Permanent	3	0	0	0
Senior Management Service Band D, Permanent	1	0	0	0
Contract (Levels 3-5), Permanent	1	45	45	4500
Contract (Levels 6-8), Permanent	3	0	0	0
Contract (Levels 9-12), Permanent	3	0	0	0
Contract (Band A), Permanent	2	0	1	50
Contract (Band C), Permanent	1	0	0	0
Contract (Band D), Permanent	1	0	0	0
TOTAL	1 788	262	116	6.5

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2015 to 31 March 2016

Critical occupation	Number of employees at beginning of period-April 2015	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Administrative related, Permanent	169	3	5	3
All artisans in the building metal machinery, etc, Permanent	22	0	0	0
Artisan project and related superintendents, Permanent	16	4	1	6.3
Attorneys, Permanent	2	0	0	0
Authors, journalists and other writers, Permanent	2	0	1	50
Auxiliary and related workers, Permanent	40	7	2	5
Building and other property caretakers, Permanent	12	0	2	16.7
Bus and heavy vehicle drivers, Permanent	7	46	44	628.6
Cartographers and surveyors, Permanent	2	0	0	0
Cartographic surveying and related technicians, Permanent	1	0	0	0
Civil engineering technicians, Permanent	3	0	0	0
Cleaners in offices, workshops, hospitals etc, Permanent	33	67	4	12.1
Client information clerks (switchboard, reception and information clerks), Permanent	5	0	0	0
Communication and information related, Permanent	4	0	1	25

Critical occupation	Number of employees at beginning of period-April 2015	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Computer system designers and analysts., Permanent	6	0	0	0
Economists, Permanent	2	0	0	0
Engineering sciences related, Permanent	18	0	0	0
Engineers and related professionals, Permanent	52	6	1	1.9
Finance and economics related, Permanent	19	0	1	5.3
Financial and related professionals, Permanent	8	0	0	0
Financial clerks and credit controllers, Permanent	42	7	1	2.4
General legal administration and related professionals, Permanent	2	0	0	0
Head of Department/CEO, Permanent	2	0	0	0
Human resources and organisational development and related professionals, Permanent	38	2	2	5.3
Human resources clerks, Permanent	15	13	0	0
Human resources related, Permanent	18	1	1	5.6
Identification experts, Permanent	1	0	0	0
Information technology related, Permanent	2	0	0	0
Language practitioners, interpreters and other communication, Permanent	1	0	0	0
Legal related, Permanent	6	0	0	0
Library mail and related clerks, Permanent	9	5	0	0
Light vehicle drivers, Permanent	9	0	1	11.1
Logistical support personnel, Permanent	3	1	0	0
Material-recording and transport clerks, Permanent	20	0	0	0
Medical specialists, Permanent	1	0	0	0
Messengers porters and delivery personnel, Permanent	22	4	0	0
Motor vehicle drivers, Permanent	6	0	0	0
Other administrative and related clerks and organisers, Permanent	263	50	4	1.5
Other administrative policy and related officers, Permanent	157	13	4	2.5
Other information technology personnel., Permanent	17	2	0	0
Other occupations, Permanent	87	1	5	5.7
Photographic lithographic and related workers, Permanent	2	0	1	50
Printing and related machine operators, Permanent	1	0	0	0
Road superintendents, Permanent	9	0	0	0
Road trade workers., Permanent	18	0	2	11.1
Road workers, Permanent	492	21	25	5.1
Secretaries and other keyboard operating clerks, Permanent	46	8	1	2.2
Security guards, Permanent	3	0	1	33.3
Senior managers, Permanent	30	0	3	10
Statisticians and related professionals, Permanent	2	0	0	0
Trade labourers, Permanent	24	1	2	8.3
Trade related, Permanent	7	0	1	14.3
Water, plant and related operators, Permanent	10	0	0	0
TOTAL	1 788	262	116	6.5

Table 3.5.3 Reasons why staff left the Department for the period 1 April 2015 to 31 March 2016

Termination Type	Number	% of Total Resignations
Death, Permanent	9	7.8
Resignation, Permanent	32	27.6
Expiry of contract, Permanent	46	39.7
Transfers, Permanent	1	0.9
Discharged due to ill health, Permanent	1	0.9
Dismissal-misconduct, Permanent	4	3.4
Retirement, Permanent	23	19.8
TOTAL	116	100
Total number of employees who left as a % of total employment	-	6.5

Table 3.5.4 Promotions by critical occupation for the period 1 April 2015 to 31 March 2016

Occupation	Employees 1 April 2015	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	169	14	8.3	135	79.9
All artisans in the building and metal machinery, etc.	22	0	0	4	18.2
Artisan project and related superintendents	16	3	18.8	6	37.5
Attorneys	2	0	0	1	50
Authors, journalists and other writers	2	1	50	0	0
Auxiliary and related workers	40	1	2.5	26	65
Building and other property caretakers	12	0	0	10	83.3
Bus and heavy vehicle drivers	7	0	0	15	214.3
Cartographers and surveyors	2	0	0	1	50
Cartographic surveying and related technicians	1	0	0	0	0
Civil engineering technicians	3	0	0	3	100
Cleaners in offices, workshops, hospitals, etc.	33	0	0	10	30.3
Client information clerks (switchboard, receptionist and information clerks)	5	0	0	2	40
Communication and information related	4	1	25	1	25
Computer system designers and analysts.	6	0	0	4	66.7
Economists	2	0	0	1	50
Engineering sciences related	18	0	0	11	61.1
Engineers and related professionals	52	1	1.9	11	21.2
Finance and economics related	19	2	10.5	9	47.4
Financial and related professionals	8	0	0	2	25
Financial clerks and credit controllers	42	0	0	10	23.8
General legal administration and related professionals	2	0	0	1	50

Occupation	Employees 1 April 2015	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
Head of Department/CEO	2	0	0	1	50
Human resources and organisational development and related professionals	38	3	7.9	27	71.1
Human resources clerks	15	3	20	8	53.3
Human resources related	18	0	0	11	61.1
Identification experts	1	0	0	1	100
Information technology related	2	0	0	1	50
Language practitioners, interpreters and other communication	1	0	0	0	0
Legal related	6	0	0	4	66.7
Library mail and related clerks	9	0	0	4	44.4
Light vehicle drivers	9	0	0	4	44.4
Logistical support personnel	3	0	0	3	100
Material-recording and transport clerks	20	1	5	13	65
Medical specialists	1	0	0	1	100
Messengers, porters and delivery personnel	22	0	0	18	81.8
Motor vehicle drivers	6	0	0	5	83.3
Other administrative and related clerks and organisers	263	8	3	155	58.9
Other administrative policy and related officers	157	10	6.4	95	60.5
Other information technology personnel.	17	0	0	12	70.6
Other occupations	87	0	0	75	86.2
Photographic, lithographic and related workers	2	0	0	1	50
Printing and related machine operators	1	0	0	1	100
Road superintendents	9	0	0	6	66.7
Road trade workers.	18	0	0	10	55.6
Road workers	492	0	0	307	62.4
Secretaries and other keyboard operating clerks	46	3	6.5	26	56.5
Security guards	3	0	0	3	100
Senior managers	30	3	10	19	63.3
Statisticians and related professionals	2	2	100	0	0
Trade labourers	24	3	12.5	21	87.5
Trade related	7	1	14.3	1	14.3
Water, plant and related operators	10	0	0	10	100
TOTAL	1 788	60	3.4	1 106	61.9

Table 3.5.5 Promotions by salary band for the period 1 April 2015 to 31 March 2016

Salary Band	Employees 1 April 2015	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	134	0	0	0	0
Skilled (Levels 3-5), Permanent	786	11	1.4	586	74.6
Highly skilled production (Levels 6-8), Permanent	582	29	5	354	60.8
Highly skilled supervision (Levels 9-12), Permanent	219	17	7.8	110	50.2
Senior management (Levels 13-16), Permanent	56	3	5.4	42	75
Contract (Levels 3-5), Permanent	1	0	0	9	900
Contract (Levels 6-8), Permanent	3	0	0	1	33.3
Contract (Levels 9-12), Permanent	3	0	0	2	66.7
Contract (Levels 13-16), Permanent	4	0	0	2	50
TOTAL	1 788	60	3.4	1 106	61.9

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2016

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers, Permanent	17	2	2	1	11	1	1	0	35
Professionals, Permanent	94	3	3	13	87	0	4	6	210
Technicians and associated professionals, Permanent	179	5	1	9	171	10	4	17	396
Clerks, Permanent	151	5	1	5	260	10	2	34	468
Service and sales workers, Permanent	2	0	0	0	0	0	0	0	2
Craft and related trades workers, Permanent	40	0	0	26	7	0	1	1	75
Plant and machine operators and assemblers, Permanent	34	0	0	0	0	0	0	0	34
Elementary occupations, Permanent	530	3	0	21	149	3	0	4	710
TOTAL	1 047	18	7	75	685	24	12	62	1 930
Employees with disabilities	5	1	0	1	2	0	0	0	9

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	2	0	1	0	1	1	0	0	5
Senior Management, Permanent	22	1	1	2	17	4	2	1	50
Professionally qualified and experienced specialists and mid-management, Permanent	89	5	3	24	92	1	3	12	229
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	235	5	1	28	293	11	5	39	617
Semi-skilled and discretionary decision-making, Permanent	579	5	0	20	186	6	2	10	808
Unskilled and defined decision-making, Permanent	115	1	0	0	95	1	0	0	212
Contract (Top Management), Permanent	0	1	0	1	0	0	0	0	2
Contract (Senior Management), Permanent	1	0	0	0	0	0	0	0	1
Contract (Professionally qualified), Permanent	2	0	0	0	0	0	0	0	2
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
TOTAL	1 047	18	7	75	685	24	12	62	1 930

Table 3.6.3 Recruitment for the period 1 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, Permanent	2	0	0	0	2	0	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	22	1	0	0	19	2	0	0	44
Semi-skilled and discretionary decision-making, Permanent	47	1	0	0	30	2	0	1	81
Unskilled and defined decision-making, Permanent	40	0	0	0	47	1	0	0	88
Contract (Semi-skilled), Permanent	31	0	0	0	14	0	0	0	45
TOTAL	142	2	0	0	112	5	0	1	262
Employees with disabilities	0	0	0	0	1	0	0	0	1

Table 3.6.4 Promotions for the period 1 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	2	0	0	1	0	1	0	0	4
Senior Management, Permanent	19	0	1	5	10	2	2	2	41
Professionally qualified and experienced specialists and mid-management, Permanent	45	3	1	9	60	1	1	7	127
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	142	3	0	17	180	7	4	30	383
Semi-skilled and discretionary decision-making, Permanent	454	2	0	14	115	3	2	7	597
Contract (Top Management), Permanent	0	0	0	1	0	0	0	0	1
Contract (Senior Management), Permanent	1	0	0	0	0	0	0	0	1
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	4	0	0	0	5	0	0	0	9
TOTAL	668	9	3	47	370	14	9	46	1 166
Employees with disabilities	5	0	0	1	1	0	0	0	7

Table 3.6.5 Terminations for the period 1 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	2	0	0	0	0	0	1	3	1
Professionally qualified and experienced specialists and mid-management, Permanent	4	0	0	1	2	0	1	8	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	5	0	0	1	7	0	2	15	2
Semi-skilled and discretionary decision-making, Permanent	33	0	0	3	6	0	0	0	42
Unskilled and defined decision-making, Permanent	2	0	0	0	0	0	0	0	2
Contract (Senior Management), Permanent	0	0	1	0	0	0	0	0	1
Contract (Semi-skilled), Permanent	31	0	0	0	14	0	0	0	45
TOTAL	77	0	1	5	29	0	0	4	116
Employees with Disabilities	1	0	0	0	0	0	0	0	1

Table 3.6.6 Disciplinary action for the period 1 April 2015 to 31 March 2016

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Pending suspensions	2	-	-	-	-	-	-	-	2
Final written warning		-	-	-	1	-	-	-	1
Pending disciplinary hearing	1	-	-	-	-	-	-	-	1
Written warnings	5	-	-	-	-	-	-	-	5
Dismissal	1	-	-	-	-	-	-	-	1
Final written warning	1	-	-	-	-	-	-	-	1
Final written warning	-	-	-	-	1	-	-	-	1
Dismissal	1	-	-	-	-	-	-	-	1
Dismissal	-	-	-	-	1	-	-	-	1
Pending disciplinary hearing	-	-	-	-	-	1	-	-	1
Pending disciplinary hearing	-	-	-	-	-	1	-	-	1

Table 3.6.7 Skills development for the period 1 April 2015 to 31 March 2016

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	44	1	1	2	27	4	0	0	79
Professionals	7	0	1	1	2	0	0	0	11
Technicians and associate professionals	103	2	1	10	127	3	2	18	266
Clerks	210	3	0	6	300	15	0	12	546
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	0	0	0	0	0	0	0	0	0
Elementary occupations	221	7	0	0	140	1	0	0	367
TOTAL	585	13	3	19	595	22	2	30	1 269
Employees with disabilities	3	0	0	0	1	0	0	0	4

3.7 Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as at 31 May 2015

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	1	1	1	100%
Salary Level 15	4	4	3	75%
Salary Level 14	12	12	8	66%
Salary Level 13	44	44	37	86%
TOTAL	61	61	49	80%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as at 31 March 2016

Reasons
Salary 15 – Two SMS members did not comply with the prescribed date of signing off the performance agreement on or before the 31st of May 2015.
Salary 14 – One SMS member is on suspension, another two have not signed and submitted their performance agreements. Non-compliance to the prescribed date.
Salary 13 – Seven SMS members did not comply with the prescribed date of signing off the performance agreement on or before the 31st of May 2015.
Reasons

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as at 31 March 2016

Reasons
Failure to sign and conclude their performance agreements (without showing good cause) the HOD to take appropriate disciplinary steps in terms of section 16A (1) or (2) of the Public Service Act.

3.8 Performance Rewards

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2015 to 31 March 2016

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	390	683	57.1	3 022	7 749
African, Male	717	1 042	68.8	4 344	6 058
Asian, Female	7	12	58.3	61	8 664
Asian, Male	4	7	57.1	48	11 897
Coloured, Female	13	24	54.2	103	7 946
Coloured, Male	11	17	64.7	92	8 346
White, Female	58	62	93.5	487	8 398
White, Male	71	74	95.9	659	9 288
TOTAL	1 279	1 930	66.3	8 870	6 935
Employees with a disability	8	9	88.9	55	6 860

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2015 to 31 March 2016

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)	7	213	3.3	24	3 400
Skilled (Levels 3-5)	661	812	84.1	3 227	4 878
Highly skilled production (Levels 6-8)	434	621	69.9	3 545	8 186
Highly skilled supervision (Levels 9-12)	176	238	73.9	2 007	11 187

Salary band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Contract (Levels 3-5)	0	1	0	0	0
Contract (Levels 6-8)	2	3	66.7	15	7 500
Contract (Levels 9-12)	1	2	50	9	9 000
Periodical remuneration	0	13	0	0	0
Abnormal appointments	0	138	0	0	0
TOTAL	1 281	2 041	62.8	8 700	6 845

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2015 to 31 March 2016

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	115	175	65.7	1 030	8 957
All artisans in building, metal, machinery, etc.	16	20	80	143	8 938
Artisan project and related superintendents	9	22	40.9	89	9 889
Attorneys	2	2	100	32	16 000
Authors, journalists and other writers	0	2	0	0	0
Auxiliary and related workers	37	43	86	222	6 000
Building and other property caretakers	12	10	120	54	4 500
Bus and heavy vehicle drivers	7	9	77.8	32	4 571
Cartographers and surveyors	2	2	100	15	7 500
Cartographic surveying and related technicians	1	1	100	12	12 000
Civil engineering technicians	3	3	100	45	15 000
Cleaners in offices, workshops hospitals, etc.	16	91	17.6	69	4 313
Client information clerks (switchboard, receptionist and information clerks)	3	5	60	15	5 000
Communication and information related	2	4	50	18	9 000
Computer system designers and analysts.	2	6	33.3	19	9 500
Economists	1	2	50	10	10 000
Engineering sciences related	16	17	94.1	227	14 188
Engineers and related professionals	47	57	82.5	502	10 681
Finance and economics related	13	18	72.2	131	10 077
Financial and related professionals	5	8	62.5	48	9 600
Financial clerks and credit controllers	23	44	52.3	168	7 304
General legal administration and related professionals	1	2	50	25	25 000
Head of department/CEO	0	2	0	0	0

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Human resources and organisational development and relate professionals	33	40	82.5	327	9 909
Human resources clerks	12	26	46.2	88	7 333
Human resources related	14	18	77.8	166	11 857
Identification experts	1	1	100	10	10 000
Information technology related	0	2	0	0	0
Language practitioners, interpreters and other communication	0	1	0	0	0
Legal related	4	5	80	39	9 750
Library mail and related clerks	4	14	28.6	28	7 000
Light vehicle drivers	4	8	50	20	5 000
Logistical support personnel	3	4	75	29	9 667
Material-recording and transport clerks	18	21	85.7	135	7 500
Medical specialists	16	26	61.5	75	4 688
Messengers, porters and delivery personnel	5	6	83.3	32	6 400
Motor vehicle drivers	178	302	58.9	1 149	6 455
Other administrative and related clerks and organisers	117	170	68.8	1 024	8 752
Other administrative policy and related officers	14	20	70	125	8 929
Other information technology personnel	76	81	93.8	415	5 461
Other occupations	1	1	100	5	5 000
Photographic, lithographic and related workers	0	2	0	0	0
Printing and related machine operators	1	1	100	6	6 000
Rank: unknown	9	9	100	82	9 111
Road superintendents	14	16	87.5	97	6 929
Road trade workers.	350	477	73.4	1 616	4 617
Road workers	31	55	56.4	238	7 677
Secretaries and other keyboard operating clerks	3	2	150	13	4 333
Security guards	2	32	6.3	39	19 500
Senior managers	0	4	0	0	0
Statisticians and related professionals	21	26	80.8	93	4 429
Trade labourers	5	7	71.4	50	10 000
Trade related	10	10	100	62	6 200
Water, plant and related operators	1 279	1 930	66.3	8 869	6934
TOTAL	1	1	100	6	6 000

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Services for the period 1 April 2015 to 31 March 2016

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	1	36	2.8	59	59 000	0.2
Band B	0	15	0	0	0	0
Band C	1	5	20.0	26	26 000	0.4
Band D	0	2	0	0	0	0
TOTAL	2	58	3.4	85	85 000	0.1

3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2015 to 31 March 2016

Salary band	01 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
Skilled (Levels 3-5)	1	25	1	33.3	0	0
Highly skilled supervision (Levels 9-12)	1	25	1	33.3	0	0
Senior management (Levels 13-16)	1	25	1	33.3	0	0
Periodical Remuneration	1	25	0	0	-1	100
TOTAL	4	100	3	100	-1	100

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2015 to 31 March 2016

Major occupation	01 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
Elementary occupations	1	25	1	33.3	0	0
Professionals and managers	3	75	2	66.7	-1	100
TOTAL	4	100	3	100	-1	100

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2015 to 31 December 2015

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)	478	84.5	122	11.2	4	193
Skilled (Levels 3-5)	2 474	81.5	412	38	6	1 477
Highly skilled production (Levels 6-8)	2 473	73.1	382	35.2	6	2 646
Highly skilled supervision (Levels 9-12)	678	63.4	134	12.4	5	1 338
Senior management (Levels 13-16)	157	76.4	33	3	5	573
Contract (Levels 3-5)	5	100	2	0.2	3	3
TOTAL	6 265	76.3	1 085	100	6	6 230

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2015 to 31 December 2015

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)
Skilled (Levels 3-5)	1 311	100	80	4	16.38	419 552.77
Highly skilled production (Levels 6-8)	547	100	46	2.42	11.89	328 509.30
Highly skilled supervision (Levels 9-12)	31	100	2	0.10	15.5	24 940.50
Senior management (Levels 13-16)	0	0	0	0	0	0
TOTAL	1 889	100	128	6.52	43.77	773 002.57

Table 3.10.3 Annual Leave for the period 1 January 2015 to 31 December 2015

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	2 169	11	202
Skilled (Levels 3-5)	18 477	23	811
Highly skilled production (Levels 6-8)	12 283	20	618
Highly skilled supervision (Levels 9-12)	4 898	21	232
Senior management (Levels 13-16)	1 199	20	59
Contract (Levels 3-5)	148	7	22
Contract (Levels 6-8)	21	7	3
Contract (Levels 9-12)	28	14	2
Contract (Levels 13-16)	28	9	3
TOTAL	39 251	20	1 952

Table 3.10.4 Capped leave for the period 1 January 2015 to 31 December 2015

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 2016
Skilled (Levels 3-5)	80	5	35	17
Highly skilled production (Levels 6-8)	34	11	54	3
Highly skilled supervision (Levels 9-12)	5	2	49	3
Senior management (Levels 13-16)	11	11	43	1
TOTAL	130	5	41	24

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

Table 3.10.5 Leave payouts for the period 1 April 2015 to 31 March 2016

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Capped leave payouts on termination of service for 2015/2016	2 493	108	23 083
Current leave payout on termination of service for 2015/2016	931	68	13 691
TOTAL	3 424	176	19 455

3.11 HIV/AIDS and Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mr. Glad Taunyane: Director Human Resource Planning and Administration
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		7 staff members
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		<ul style="list-style-type: none"> ✓ Medical examinations ✓ Health Screening including HIV counselling and testing ✓ Health promotion campaigns ✓ Counselling and referrals ✓ Peer education ✓ Sports and recreation ✓ OHS audits and inspections ✓ HIV,AIDS,STI & TB (HAST) management ✓ HAST in the taxi industry ✓ Condom distribution
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	
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	
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		<ul style="list-style-type: none"> ✓ HAST policy makes provision for addressing discrimination in the workplace. ✓ HIV counselling and testing is provided by GEMS in a confidential manner. ✓ Peer education programme is in place to educate employees about discrimination ✓ Departmental counselling services are provided both internally and externally
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		850 employees were tested for HIV in the 2014/2015 financial year. 13 employees tested positive
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		A familiarity and satisfaction survey was conducted. A behaviour risk management audit is conducted bi-annually.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2015 to 31 March 2016

Subject matter	Date

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Collective agreements	None
---------------------------------------	------

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2015 to 31 March 2016

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	1	50
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	1	50
Not guilty	0	0
Case withdrawn	0	0
TOTAL	2	100

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Disciplinary hearings finalised	None
---	------

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2015 to 31 March 2016

Type of misconduct	Number	% of total
Financial misconduct	2	50
Absenteeism	2	50
TOTAL	4	100

Table 3.12.4 Grievances logged for the period 1 April 2015 to 31 March 2016

Grievances	Number	% of Total
Number of grievances resolved	35	35%
Number of grievances not resolved	09	9%
Total number of grievances lodged	44	44%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2015 to 31 March 2016

Disputes	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	3	3%
Total number of disputes lodged	6	6%

Table 3.12.6 Strike actions for the period 1 April 2015 to 31 March 2016

Total number of persons/working days lost	32
Total costs of working days lost	32
Amount recovered as a result of 'no work no pay' (R'000)	R14 928.05

Table 3.12.7 Precautionary suspensions for the period 1 April 2015 to 31 March 2016

Number of people suspended	
Number of people suspended	1
Number of people who's suspension exceeded 30 days	1
Average number of days suspended	Ten months

3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2015 to 31 March 2016

Occupational category	Gender	Number of employees as at 1 April 2015	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	72	0	72	0	72
	Male	168	0	168	0	168
Professionals	Female	11	0	11	0	11
	Male	39	0	39	0	39
Technicians and associate professionals	Female	39	0	39	0	39
	Male	70	0	70	0	70
Clerks	Female	121	0	121	0	121
	Male	165	0	165	0	165
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	16	0	16	0	16
Elementary occupations	Female	68	0	68	0	68
	Male	34	0	34	0	34
Sub Total	Female	327	0	327	0	327
	Male	476	0	476	0	476
TOTAL	Female	803	0	803	0	803

Table 3.13.2 Training provided for the period 1 April 2015 to 31 March 2016

Occupational category	Gender	Number of employees as at 1 April 2015	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	72	0	31	0	31
	Male	168	0	48	0	0
Professionals	Female	11	0	2	0	2
	Male	39	0	9	0	9
Technicians and associate professionals	Female	39	0	150	0	150
	Male	70	0	116	0	116
Clerks	Female	121	0	328	0	327
	Male	165	0	219	0	254
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	16	0	0	0	0
Elementary occupations	Female	688	0	140	0	140
	Male	34	0	226	0	477
Sub Total	Female	327	0	651	0	651
	Male	476	0	618	0	618
TOTAL		803	0	1 269	0	1 269

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 2015 to 31 March 2016

Nature of injury on duty	Number	% of total
Required basic medical attention only	30	96.8%
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	1	3.2%
TOTAL	31	100%

3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2015 to 31 March 2016

Project title	Total number of consultants that worked on projects	Duration (work days)	Contract value in Rand
K11 Prelim	1	6 Months	R 3 097 405,08
BMS (8 Bridges)	1	4 Months	R 6 469 549,31
TOTAL			R 9 566 954,39

Total number of projects	Total individual consultants	Total duration work days	Total contract value in Rand
K11 Prelim	1	6 Months	R 3 097 405,08
BMS (8 Bridges)	1	4 Months	R 6 469 549,31
TOTAL			R 9 566 954,39

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2015 to 31 March 2016

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
K11 Prelim	0,00%	0	0,00%
BMS (8 Bridges)	51,00%	2.12/10	17.15/20

Table 3.15.3 Report on consultant appointments using donor funds for the period 1 April 2015 to 31 March 2016

Project title	Total number of consultants that worked on project	Duration (work days)	Donor and contract value in Rand
K11 Prelim	0,00%	0	0,00%
BMS (8 Bridges)	51,00%	2.12/10	17.15/20

Total number of projects	Total individual consultants	Total duration (work days)	Total contract value in Rand
K11 Prelim	1	6 Months	R 3 097 405,08
BMS (8 Bridges)	1	4 Months	R 6 469 549,31

Table 3.15.4 Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2015 to 31 March 2016

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on projects
K11 Prelim	0,00%	0	0,00%
BMS (8 Bridges)	51,00%	2.12/10	17.15/20

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2015 to 31 March 2016

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by Department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision(Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
TOTAL	0	0	0	0

SOUTH AFRICAN

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PART

E:

FINANCIAL INFORMATION

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 144 to 217, which comprise the appropriation statement, the statement of financial position as at 31 March 2016, 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 Standard (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 2014 (Act No. 10 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 2016 and its financial performance and cash flows for the year then ended, in accordance with the MCS prescribed by the National Treasury 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.

Restatement of corresponding figures

9. As disclosed in note 32.3.1 to the financial statements, the corresponding figures for 31 March 2015 have been restated as a result of errors discovered during the year ended 31 March 2016 in the financial statements of the Gauteng Department of Roads and Transport at, and for the year ended 31 March 2015.

Report on other legal and regulatory requirements

10. 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 raise 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

11. 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 2016:
 - Programme 2: Transport infrastructure on pages 51 to 67
 - Programme 3: Transport operations on pages 67 to 73
 - Programme 4: Transport regulations on pages 73 to 81
12. 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).
13. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. The material findings in respect of the selected programmes are as follows:

Programme 2: Transport infrastructure

Reliability of reported performance information

15. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. The reported achievements against planned targets of 21% indicators were not reliable when compared to the source information.

Programme 3: Transport operations

Usefulness of reported performance information

16. The measurability of important planned targets could not be assessed due to a lack of proper systems and processes.

Reliability of reported performance information

17. The FMPPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. I was unable to obtain the information and explanations I considered necessary to satisfy myself 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.

Programme 4: Transport regulations

Usefulness and reliability of reported performance information

18. I did not raise any material findings on the usefulness and reliability of the reported performance information for programme 4: Transport regulations.

Additional matters

19. I draw attention to the following matters:

Achievement of planned targets

20. Refer to the annual performance report on pages 41 to 81 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 in paragraphs 15 to 17 of this report.

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 2: Transport infrastructure; programme 3: Transport operations; and programme 4: Transport regulations. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

22. 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 finding on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, is as follows:

Expenditure management

23. Effective steps were not taken to prevent irregular expenditure, amounting to R39 762 000 as disclosed in note 23.2 of the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1.

Internal control

24. 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 finding on compliance with legislation included in this report.

Leadership

25. There was a lack of effective oversight by the accounting officer regarding performance reporting, as well as 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

26. The programme directors for programmes 2 and 3 did not have effective monitoring and reporting controls in place to ensure that performance reports are supported by complete, relevant and accurate information.
27. The supply chain management directorate did not fully monitor compliance with the applicable legislation, mainly due to vacancies in critical positions within the department and management overriding of controls relating to authorisation of payments.

Other reports

28. I draw attention to the following engagement that could potentially impact on the department's financial, performance and compliance related matters. My opinion is not modified in respect of these engagements that are either in progress or have been completed.

Investigations

29. The department was conducting Investigations based on allegations of procurement irregularities, appointment process and financial misconduct. These investigations were still in progress at the reporting date.

Auditor - General

Johannesburg
31 July 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



GAUTENG PROVINCE
ROADS AND TRANSPORT
REPUBLIC OF SOUTH AFRICA

ANNUAL FINANCIAL STATEMENTS FOR GAUTENG DEPARTMENT OF ROADS AND TRANSPORT

For the year ended
31 March 2016

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GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
APPROPRIATION STATEMENT
for the year ended 31 March 2016

Appropriation per programme		2015/16						2014/15	
Programme	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
Administration	309 110	-	(14 805)	294 305	239 213	55 092	81.3%	293 352	271 476
Transport Infrastructure	2 197 685	-	17 920	2 215 605	2 177 112	38 493	98.3%	2 144 556	2 096 198
Transport Operations	2 148 764	-	(7 282)	2 141 482	2 019 168	122 314	94.3%	2 040 925	1 986 669
Transport Regulation	264 591	-	4 167	268 758	262 357	6 401	97.6%	242 835	205 994
Gautrain	1 561 451	-	-	1 561 451	1 561 451	-	100.0%	1 311 748	1 311 748
TOTAL	6 481 601	-	-	6 481 601	6 259 301	222 300	96.6%	6 033 416	5 872 084
TOTAL (brought forward)									
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				3 278 227				3 005 863	
Actual amounts per statement of financial performance (total revenue)				9 759 828				9 039 279	
ADD									
Prior year unauthorised expenditure approved without funding									
Actual amounts per statement of financial performance (total expenditure)					6 259 3 01				5 872 084

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
APPROPRIATION STATEMENT
for the year ended 31 March 2016

Appropriation per economic classification	2015/16						2014/15		
	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	1 570 800	(134 206)	(16 845)	1 419 749	1 336 094	83 655	94.1%	1 455 044	1 339 454
Compensation of employees	548 968	93	-	549 061	549 027	34	100.0%	591 364	488 559
Salaries and wages	440 636	28 286	2 800	471 722	471 723	(1)	100.0%	451 330	423 027
Social contributions	108 332	(28 193)	(2 800)	77 339	77 304	35	100.0%	140 034	65 533
Goods and services	1 021 332	(134 629)	(16 845)	869 858	786 608	83 250	90.4%	863 393	850 668
Administrative fees	1 014	299	-	1 313	1 090	223	83.0%	884	832
Advertising	14 196	(2 167)	-	12 029	10 927	1 102	90.8%	9 408	8 353
Minor assets	1 378	421	-	1 799	1 900	(101)	105.6%	1 435	1 843
Audit costs: External	6 000	274	-	6 274	6 273	1	100.0%	5 437	5 432
Bursaries: Employees	1 900	-	-	1 900	1 418	482	74.6%	565	562
Catering: Departmental activities	4 293	118	-	4 411	1 625	2 786	36.8%	970	894
Communication	23 989	(384)	(11 980)	11 625	11 611	14	99.9%	14 026	14 020
Computer services	9 700	(449)	(4 500)	4 751	4 517	234	95.1%	6 884	6 878
Consultants: Business and advisory services	37 230	(3 985)	(3 685)	29 560	22 977	6 583	77.7%	20 457	19 092
Infrastructure and planning services	19 255	(1 234)	-	18 021	13 270	4 751	73.6%	9 771	9 685
Laboratory services	50	357	-	407	314	93	77.1%	66	66
Legal services	15 550	249	-	15 799	11 862	3 937	75.1%	17 414	17 299
Contractors	740 551	(132 723)	-	607 828	576 047	31 781	94.8%	668 904	669 261
Agency and support / outsourced services	2 500	(2 500)	-	-	-	-	-	235	231
Fleet services	18 552	(5 319)	-	13 233	8 524	4 709	64.4%	13 610	10 840

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
APPROPRIATION STATEMENT
for the year ended 31 March 2016

Appropriation per economic classification	2015/16						2014/15		
	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
Inventory: Clothing material and supplies	300	1 399	-	1 699	1 549	150	91.2%	47	45
Inventory: Farming supplies	-	-	-	-	-	-	-	77	76
Inventory: Food and food supplies	-	-	-	-	-	-	-	5	-
Inventory: Fuel, oil and gas	315	-	-	315	-	315	-	255	254
Inventory: Materials and supplies	2 500	8 563	-	11 063	16 933	(5 870)	153.1%	1 506	1 466
Inventory: Medical supplies	-	-	-	-	-	-	-	458	426
Inventory: Other supplies	1 800	-	-	1 800	2 708	(908)	150.4%	839	450
Consumable supplies	3 828	(107)	-	3 721	2 663	1 058	71.6%	1 927	1 985
Consumable: Stationery, printing and office supplies	21 467	4 141	3 320	28 928	21 858	7 070	75.6%	17 823	17 580
Operating leases	11 900	1 073	-	12 973	12 753	220	98.3%	9 369	8 568
Property payments	46 100	(2 008)	-	44 092	36 173	7 919	82.0%	35 669	35 658
Transport provided: Departmental activity	230	293	-	523	413	110	79.0%	711	705
Travel and subsistence	21 629	(865)	-	20 764	10 905	9 859	52.5%	16 598	10 610
Training and development	10 395	-	-	10 395	5 771	4 624	55.5%	4 437	4 429
Operating payments	-	295	-	295	295	-	100.0%	110	103
Venues and facilities	4 695	(370)	-	4 325	2 232	2 093	51.6%	3 490	3 022
Rental and hiring	15	-	-	15	-	15	-	6	5
Interest and rent on land	500	330	-	830	459	371	55.3%	287	226
Interest	500	330	-	830	459	371	55.3%	287	226

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
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APPROPRIATION STATEMENT
for the year ended 31 March 2016

Appropriation per economic classification	2015/16							2014/15	
	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
Transfers and subsidies	3 591 921	1 754	-	3 593 675	3 527 500	66 175	98.2%	3 499 166	3 470 778
Provinces and municipalities	1 606	-	-	1 606	1 079	527	67.2%	1 305	1 256
Provinces	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	1 606	-	-	1 606	1 079	527	67.2%	1 300	1 256
Municipal agencies and funds	1 606	-	-	1 606	1 079	527	67.2%	1 300	1 252
Departmental agencies and accounts	1 561 451	-	-	1 561 451	1 561 451	-	100.0%	1 311 748	1 311 748
Departmental agencies and accounts	1 561 451	-	-	1 561 451	1 561 451	-	100.0%	1 311 748	1 311 748
Public corporations and private enterprises	2 024 761	-	-	2 024 761	1 959 610	65 151	96.8%	1 927 854	1 900 024
Public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	2 024 761	-	-	2 024 761	1 959 610	65 151	96.8%	1 927 854	1 900 024
Other transfers to private enterprises	2 024 761	-	-	2 024 761	1 959 610	65 151	96.8%	1 927 854	1 900 024
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 103	1 754	-	5 857	5 360	497	91.5%	258 259	257 751
Social benefits	4 103	1 754	-	5 857	2 953	2 904	50.4%	-	-
Other transfers to households	-	-	-	-	2 407	(2 407)	-	253 259	257 751
Payments for capital assets	1 318 880	132 257	-	1 451 137	1 378 676	72 461	95.0%	1 019 315	1 001 972
Buildings and other fixed structures	1 256 998	(26 897)	(3 182)	1 226 919	1 179 703	47 216	96.2%	940 715	938 426
Other fixed structures	1 256 998	(26 897)	(3 182)	1 226 919	1 179 703	47 216	96.2%	940 715	938 426

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
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APPROPRIATION STATEMENT
for the year ended 31 March 2016

Appropriation per economic classification		2015/16						2014/15		
		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	R'000
Machinery and equipment	58 782	159 154	3 182	221 118	198 836	22 282	89.9%	72 200	63 283	
Transport equipment	29 851	160 325	-	190 176	185 133	5 043	97.3%	-	51 743	
Other machinery and equipment	28 931	(1 171)	3 182	30 942	13 703	17 239	44.3%	72 200	11 540	
Intangible assets	3 100	-	-	3 100	137	2 963	4.4%	6 500	264	
Payments for financial assets	-	195	16 845	17 040	17 031	9	99.9%	59 891	59 879	

PROGRAMME 1:ADMINISTRATION		2015/16						2014/15	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
1.1.Office Of The MEC	9 400	(500)	-	8 900	6 626	2 274	74.4%	8 015	7 905
1.2.Management Of The Department	19 330	(880)	-	18 450	15 918	2 532	86.3%	11 983	11 858
1.3. Corporate Support	275 668	5 345	(14 805)	266 208	216 150	50 058	81.2%	267 986	250 445
1.4. Departmental Strategy	4 712	(3 965)	-	747	519	228	69.5%	5 368	1 267
Total for sub programmes	309 110	-	(14 805)	294 305	239 213	55 092	81.3%	293 352	271 476

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
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APPROPRIATION STATEMENT
for the year ended 31 March 2016

Economic classification	2015/16						2014/15		
	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
Current payments	282 919	(39)	(14 805)	268 075	232 137	35 938	86.6%	210 314	203 629
Compensation of employees	142 995	93	2 035	145 123	145 121	2	100.0%	130 440	124 169
Salaries and wages	125 008	401	2 035	127 444	127 451	(7)	100.0%	93 573	110 204
Social contributions	17 987	(308)	-	17 679	17 670	9	99.9%	38 867	13 965
Goods and services	139 794	(462)	(16 840)	122 492	86 558	35 934	70.7%	79 864	79 452
Administrative fees	452	183	-	635	634	1	99.8%	554	555
Advertising	6 145	(500)	-	5 645	5 416	229	95.9%	3 897	3 881
Minor assets	725	118	-	843	778	65	92.3%	620	1 123
Audit costs: External	6 000	274	-	6 274	6 273	1	100.0%	5 437	5 432
Bursaries: Employees	1 900	-	-	1 900	1 418	482	74.6%	565	562
Catering: Departmental activities	3 319	78	-	3 397	956	2 441	28.1%	817	797
Communication	23 520	6	(11 980)	11 546	11 542	4	100.0%	13 959	13 957
Computer services	8 900	-	(4 500)	4 400	4 160	240	94.5%	6 337	6 335
Consultants: Business and advisory services	5 080	(403)	(360)	4 317	1 665	2 652	38.6%	1 955	1 809
Infrastructure and planning services	1 700	(1 234)	-	466	-	466	-	-	-
Legal services	3 300	1 234	-	4 534	4 362	172	96.2%	3 753	3 751
Contractors	7 846	-	-	7 846	6 660	1 186	84.9%	4 010	4 006
Fleet services	7 847	-	-	7 847	3 896	3 951	49.6%	3 566	3 555
Inventory: Clothing material and supplies	150	-	-	150	-	150	-	23	22
Inventory: Farming supplies	-	-	-	-	-	-	-	77	76

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APPROPRIATION STATEMENT
for the year ended 31 March 2016

Economic classification	2015/16					2014/15			
	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
Inventory: Food and food supplies	-	-	-	-	-	-	-	5	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	207	206
Inventory: Materials and supplies	2 000	-	-	2 000	-	2 000	-	690	635
Inventory: Medical supplies	-	-	-	-	-	-	-	426	426
Inventory: Other supplies	1 800	-	-	1 800	-	1 800	-	839	450
Consumable supplies	2 528	57	-	2 585	1 599	986	61.9%	1 551	1 614
Consumable: Stationery, printing and office supplies	6 688	-	-	6 688	2 565	4 123	38.4%	3 554	3 484
Operating leases	1 000	(143)	-	857	637	220	74.3%	650	648
Property payments	27 000	-	-	27 000	23 641	3 359	87.6%	17 859	17 851
Transport provided: Departmental activity	230	293	-	523	413	110	79.0%	711	705
Travel and subsistence	7 109	(93)	-	7 016	2 353	4 663	33.5%	1 271	1 198
Training and development	10 395	-	-	10 395	5 771	4 624	55.5%	4 265	4 261
Operating payments	-	239	-	239	239	-	100.0%	40	39
Venues and facilities	4 145	(571)	-	3 574	1 580	1 994	44.2%	2 220	2 068
Rental and hiring	15	-	-	15	-	15	-	6	5
Interest and rent on land	130	330	-	460	458	2	99.6%	10	9
Interest	130	330	-	460	458	2	99.6%	10	9
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	500	-	-	500	169	331	33.8%	536	345
Provinces and municipalities	-	-	-	-	-	-	-	5	4
Provinces	-	-	-	-	-	-	-	5	4

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APPROPRIATION STATEMENT
for the year ended 31 March 2016

Economic classification	2015/16						2014/15		
	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
Provincial agencies and funds	-	-	-	-	-	-	-	5	4
Households	500	-	-	500	169	331	33.8%	531	341
Social benefits	500	-	-	500	169	331	33.8%	531	341
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	25 691	-	-	25 691	6 870	18 821	26.7%	22 900	7 909
Buildings and other fixed structures	3 000	-	-	3 000	-	3 000	-	28	27
Other fixed structures	3 000	-	-	3 000	-	3 000	-	28	27
Machinery and equipment	21 691	-	-	21 691	6 870	14 821	31.7%	16 372	7 618
Transport equipment	-	-	-	-	679	(679)	-	-	703
Other machinery and equipment	21 691	-	-	21 691	6 191	15 500	28.5%	16 372	6 905
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	1 000	-	-	1 000	-	1 000	-	6 500	264
Payments for financial assets	-	39	-	39	37	2	94.9%	59 602	59 593

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for the year ended 31 March 2016

Economic classification	2015/16						2014/15		
	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
Current payments	9 186	(517)	-	8 669	6 534	2 135	75.4%	7 850	7 866
Compensation of employees	5 394	(500)	-	4 894	4 882	12	99.8%	5 571	5 620
Goods and services	3 792	(17)	-	3 775	1 652	2 123	43.8%	2 279	2 246
Transfers and subsidies	-	-	-	-	-	-	-	32	30
Provinces and municipalities	-	-	-	-	-	-	-	5	4
Households	-	-	-	-	-	-	-	27	26
Payments for capital assets	214	-	-	214	76	138	35.5%	133	10
Machinery and equipment	214	-	-	214	76	138	35.5%	133	10
Payments for financial assets	-	17	-	17	16	1	94.1%	-	-

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 for the year ended 31 March 2016

Economic classification	2015/16						2014/15		
	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
Current payments	18 378	(900)	-	17 478	15 223	2 255	87.1%	11 581	11 716
Compensation of employees	13 826	(880)	-	12 946	12 939	7	99.9%	10 750	10 926
Goods and services	4 552	(20)	-	4 532	2 284	2 248	50.4%	831	789
Payments for capital assets	952	-	-	952	675	277	70.9%	400	141
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	952	-	-	952	675	277	70.9%	400	141
Payments for financial assets	-	20	-	20	20	-	100.0%	2	1

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Economic classification	2015/16						2014/15		
	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
Current payments	250 862	5 343	(14 805)	241 400	210 018	31 382	87.0%	185 619	182 798
Compensation of employees	119 575	5 438	2 035	127 048	127 072	(24)	100.0%	110 151	107 218
Goods and services	131 157	(425)	(16 840)	113 892	82 488	31 404	72.4%	75 458	75 572
Interest and rent on land	130	330	-	460	458	2	99.6%	10	9
Transfers and subsidies	500	-	-	500	169	331	33.8%	500	312
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Households	500	-	-	500	169	331	33.8%	500	312
Payments for capital assets	24 306	-	-	24 306	5 962	18 344	24.5%	22 267	7 743
Buildings and other fixed structures	3 000	-	-	3 000	-	3 000	-	28	27
Machinery and equipment	20 306	-	-	20 306	5 962	14 344	29.4%	15 739	7 452
Intangible assets	1 000	-	-	1 000	-	1 000	-	6 500	264
Payments for financial assets	-	2	-	2	1	1	50.0%	59 600	59 592

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Economic classification	2015/16						2014/15		
	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
Current payments	4 493	(3 965)	-	528	362	166	68.6%	5 264	1 249
Compensation of employees	4 200	(3 965)	-	235	228	7	97.0%	3 968	404
Goods and services	293	-	-	293	134	159	45.7%	1 296	845
Transfers and subsidies	-	-	-	-	-	-	-	4	3
Households	-	-	-	-	-	-	-	4	3
Payments for capital assets	219	-	-	219	157	62	71.7%	100	15
Buildings and other fixed structures	-	-	-	-	-	-	-	100	15
Machinery and equipment	219	-	-	219	157	62	71.7%	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-

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PROGRAMME 2: TRANSPORT INFRASTRUCTURE									
Sub programme	2015/16					2014/15			
	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
2.1. Infrastructure Planning	52 248	(9 337)	-	42 911	38 079	4 832	88.7%	40 092	33 156
2.2. Infrastructure Design	161 751	(18 096)	-	143 655	142 111	1 544	98.9%	113 009	98 038
2.3. Construction	1 046 287	(3 719)	-	1 042 568	1 042 527	41	100.0%	925 025	902 122
2.4. Maintenance	882 459	41 601	1 080	925 140	912 344	12 796	98.6%	776 816	782 757
2.5. Programme Support Infrastructure	54 940	(10 449)	16 840	61 331	42 051	19 280	68.6%	289 614	280 125
Total for sub programmes	2 197 685	-	17 920	2 215 605	2 177 112	38 493	98.3%	2 144 556	2 096 198
Economic classification									
Current payments	1 040 764	(133 564)	1 080	908 280	870 171	38 109	95.8%	984 178	933 082
Compensation of employees	241 260	-	1 080	242 340	242 315	25	100.0%	268 577	226 994
Salaries and wages	191 727	12 387	1 080	205 194	205 189	5	100.0%	209 265	194 190
Social contributions	49 533	(12 387)	-	37 146	37 126	20	99.9%	59 312	32 804
Goods and services	799 424	(133 564)	-	665 860	627 855	38 005	94.3%	715 327	705 872
Administrative fees	531	130	-	661	439	222	66.4%	313	260
Advertising	5 301	(7)	-	5 294	4 980	314	94.1%	4 281	3 245
Minor assets	320	-	-	320	178	142	55.6%	204	197
Catering: Departmental activities	234	-	-	234	77	157	32.9%	113	87
Communication	19	-	-	19	9	10	47.4%	40	39
Computer services	-	-	-	-	6	(6)	-	80	78
Consultants: Business and advisory services	2 250	(1 974)	-	276	-	276	-	5	-

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Economic classification	2015/16					2014/15			
	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
Infrastructure and planning services	17 555	-	-	17 555	13 270	4 285	75.6%	9 771	9 685
Laboratory services	50	357	-	407	314	93	77.1%	66	66
Legal services	6 250	(200)	-	6 050	5 278	772	87.2%	5 268	5 157
Contractors	731 205	(132 137)	-	599 068	568 473	30 595	94.9%	663 909	664 270
Agency and support / outsourced services	-	-	-	-	-	-	-	10	7
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	6 425	(5 559)	-	866	858	8	99.1%	3 658	1 304
Inventory: Clothing material and supplies	150	1 399	-	1 549	1 549	-	100.0%	-	-
Inventory: Fuel, oil and gas	315	-	-	315	-	315	-	48	47
Inventory: Materials and supplies	500	8 563	-	9 063	16 933	(7 870)	186.8%	806	795
Consumable supplies	1 000	-	-	1 000	923	77	92.3%	28	26
Consumable: Stationery, printing and office supplies	1 079	150	-	1 229	1 183	46	96.3%	1 037	993
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	15 000	(4 182)	-	10 818	6 258	4 560	57.8%	11 765	11 764
Travel and subsistence	11 070	(351)	-	10 719	6 710	4 009	62.6%	13 533	7 681
Training and development	-	-	-	-	-	-	-	172	168
Operating payments	-	-	-	-	-	-	-	5	3
Venues and facilities	170	247	-	417	417	-	100.0%	215	-
Interest and rent on land	80	-	-	80	1	79	1.3%	274	215
Interest	80	-	-	80	1	79	1.3%	274	215
Rent on land	-	-	-	-	-	-	-	-	-

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
APPROPRIATION STATEMENT
for the year ended 31 March 2016

Economic classification	2015/16						2014/15		
	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	5 029	1 151	-	6 180	5 625	555	91.0%	258 190	258 134
Provinces and municipalities	1 606	-	-	1 606	1 079	527	67.2%	1 300	1 252
Provinces	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	1 606	-	-	1 606	1 079	527	67.2%	1 300	1 252
Municipal agencies and funds	1 606	-	-	1 606	1 079	527	67.2%	1 300	1 252
Households	3 423	1 151	-	4 574	4 546	28	99.4%	256 890	256 882
Social benefits	3 423	1 151	-	4 574	2 235	2 339	48.9%	3 875	2 502
Other transfers to households	-	-	-	-	2 311	(2 311)	-	253 015	254 380
Payments for capital assets	1 151 892	132 257	-	1 284 149	1 284 326	(177)	100.0%	901 909	904 704
Buildings and other fixed structures	1 123 301	(26 897)	-	1 096 404	1 096 261	143	100.0%	848 914	851 839
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	1 123 301	(26 897)	-	1 096 404	1 096 261	143	100.0%	848 914	851 839
Machinery and equipment	28 591	159 154	-	187 745	187 928	(183)	100.1%	52 995	52 866
Transport equipment	23 751	159 143	-	182 894	182 153	741	99.6%	-	49 539
Other machinery and equipment	4 840	11	-	4 851	5 775	(924)	119.0%	52 995	3 326
Intangible assets	-	-	-	-	137	(137)	-	-	-
Payments for financial assets	-	156	16 840	16 996	16 990	6	100.0%	279	278
Total	2 197 685	-	17 920	2 215 605	2 177 112	38 493	98.3%	2 144 556	2 096 198

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
APPROPRIATION STATEMENT
for the year ended 31 March 2016

Economic classification	2015/16						2014/15		
	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
Current payments	51 845	(9 457)	-	42 388	37 591	4 797	88.7%	38 269	31 779
Compensation of employees	29 186	(8 673)	-	20 513	20 513	-	100.0%	26 830	20 720
Goods and services	22 659	(784)	-	21 875	17 078	4 797	78.1%	11 439	11 060
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	23	-	-	23	-	23	-	815	812
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Households	23	-	-	23	-	23	-	815	812
Payments for capital assets	380	120	-	500	488	12	97.6%	1 008	564
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	380	120	-	500	488	12	97.6%	1 008	564
Payments for financial assets	-	-	-	-	-	-	-	-	-

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
 VOTE 9
APPROPRIATION STATEMENT
 for the year ended 31 March 2016

Economic classification	2015/16						2014/15		
	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
Current payments	52 933	2 026	-	54 959	53 470	1 489	97.3%	61 298	47 575
Compensation of employees	31 062	740	-	31 802	31 794	8	100.0%	43 967	30 312
Goods and services	21 871	1 286	-	23 157	21 676	1 481	93.6%	17 331	17 263
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	43	-	43	43	-	100.0%	358	356
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Households	-	43	-	43	43	-	100.0%	358	356
Payments for capital assets	108 818	(20 165)	-	88 653	88 598	55	99.9%	51 351	50 104
Buildings and other fixed structures	108 818	(20 165)	-	88 653	88 598	55	99.9%	51 269	50 024
Machinery and equipment	-	-	-	-	-	-	-	82	80
Payments for financial assets	-	-	-	-	-	-	-	2	2

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
 VOTE 9
APPROPRIATION STATEMENT
 for the year ended 31 March 2016

Economic classification	2015/16						2014/15		
	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
Current payments	33 804	4 849	-	38 653	38 648	5	100.0%	170 195	147 975
Compensation of employees	33 804	1 390	-	35 194	35 189	5	100.0%	58 174	36 356
Goods and services	-	3 459	-	3 459	3 459	-	100.0%	112 021	111 619
Transfers and subsidies	-	508	-	508	508	-	100.0%	595	596
Households	-	508	-	508	508	-	100.0%	595	596
Payments for capital assets	1 012 483	(9 232)	-	1 003 251	1 003 215	36	100.0%	754 232	753 547
Buildings and other fixed structures	1 012 483	(9 232)	-	1 003 251	1 003 215	36	100.0%	754 232	753 547
Machinery and equipment	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	156	-	156	156	-	100.0%	3	3

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
APPROPRIATION STATEMENT
for the year ended 31 March 2016

Economic classification	2015/16						2014/15		
	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
Current payments	854 242	(121 527)	1 080	733 795	720 514	13 281	98.2%	680 817	681 615
Compensation of employees	145 208	6 834	1 080	153 122	153 120	2	100.0%	139 606	139 606
Goods and services	709 034	(128 361)	-	580 673	567 394	13 279	97.7%	541 007	541 805
Interest and rent on land	-	-	-	-	-	-	-	204	204
Transfers and subsidies	1 606	1 594	-	3 200	2 668	532	83.4%	3 150	3 100
Provinces and municipalities	1 606	-	-	1 606	1 079	527	67.2%	1 300	1 252
Households	-	1 594	-	1 594	1 589	5	99.7%	1 850	1 848
Payments for capital assets	26 611	161 534	-	188 145	189 162	(1 017)	100.5%	92 658	97 851
Buildings and other fixed structures	2 000	2 500	-	4 500	4 448	52	98.8%	43 413	48 267
Machinery and equipment	24 611	159 034	-	183 645	184 577	(932)	100.5%	49 245	49 584
Land and subsoil assets	-	-	-	-	137	(137)	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	191	191

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
APPROPRIATION STATEMENT
for the year ended 31 March 2016

Economic classification	2015/16						2014/15		
	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
Current payments	47 940	(9 455)	-	38 485	19 948	18 537	51.8%	33 599	24 136
Compensation of employees	2 000	(291)	-	1 709	1 699	10	99.4%	-	-
Goods and services	45 860	(9 164)	-	36 696	18 248	18 448	49.7%	33 529	24 125
Interest and rent on land	80	-	-	80	1	79	1.3%	70	11
Transfers and subsidies	3 400	(994)	-	2 406	2 406	-	100.0%	253 272	253 270
Households	3 400	(994)	-	2 406	2 406	-	100.0%	253 272	253 270
Payments for capital assets	3 600	-	-	3 600	2 863	737	79.5%	2 660	2 638
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 600	-	-	3 600	2 863	737	79.5%	2 660	2 638
Payments for financial assets	-	-	16 840	16 840	16 834	6	100.0%	83	81

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
APPROPRIATION STATEMENT
for the year ended 31 March 2016

Sub programme	2015/16						2014/15		
	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
3.1. Public Transport Services	2 136 374	(66)	(7 282)	2 129 026	2 012 968	116 058	94.5%	2 022 523	1 974 799
3.2. Programme Support Operations	12 390	66	-	12 456	6 200	6 256	49.8%	18 402	11 870
Total for sub programmes	2 148 764	-	(7 282)	2 141 482	2 019 168	122 314	94.3%	2 040 925	1 986 669

Economic classification	2015/16						2014/15		
	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
Current payments	54 914	(83)	(4 100)	50 731	41 039	9 692	80.9%	68 633	46 589
Compensation of employees	24 564	-	(775)	23 789	23 783	6	100.0%	42 213	22 103
Salaries and wages	20 511	222	(315)	20 418	20 416	2	100.0%	34 203	19 225
Social contributions	4 053	(222)	(460)	3 371	3 367	4	99.9%	8 010	2 878
Goods and services	30 350	(83)	(3 325)	26 942	17 256	9 686	64.0%	26 420	24 486
Advertising	800	-	-	800	241	559	30.1%	720	718
Minor assets	80	-	-	80	13	67	16.3%	7	8
Catering: Departmental activities	540	-	-	540	352	188	65.2%	30	-
Consultants: Business and advisory services	21 000	(139)	(3 325)	17 536	13 880	3 656	79.2%	16 830	15 624
Legal services	4 500	-	-	4 500	1 507	2 993	33.5%	6 930	6 930
Fleet services	1 100	-	-	1 100	349	751	31.7%	650	248
Consumable supplies	-	-	-	-	5	(5)	-	3	2
Consumable: Stationery, printing and office supplies	400	-	-	400	209	191	52.3%	200	69
Travel and subsistence	1 800	56	-	1 856	669	1 187	36.0%	950	887

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
APPROPRIATION STATEMENT
for the year ended 31 March 2016

Economic classification	2015/16						2014/15		
	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
Venues and facilities	130	-	-	130	31	99	23.8%	100	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 024 881	83	-	2 024 964	1 959 692	65 272	96.8%	1 927 954	1 900 023
Departmental agencies	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	2 024 761	-	-	2 024 761	1 959 610	65 151	96.8%	1 927 854	1 900 023
Public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	2 024 761	-	-	2 024 761	1 959 610	65 151	96.8%	1 927 854	1 900 023
Other transfers to private enterprises	2 024 761	-	-	2 024 761	1 959 610	65 151	96.8%	1 927 854	1 900 023
Households	120	83	-	203	82	121	40.4%	100	-
Social benefits	120	83	-	203	-	203	-	100	-
Other transfers to households	-	-	-	-	82	(82)	-	-	-
Payments for capital assets	68 969	-	(3 182)	65 787	18 437	47 350	28.0%	44 338	40 056
Buildings and other fixed structures	68 249	-	(3 182)	65 067	17 826	47 241	27.4%	43 288	39 012
Other fixed structures	68 249	-	(3 182)	65 067	17 826	47 241	27.4%	43 288	39 012
Machinery and equipment	720	-	-	720	611	109	84.9%	1 050	1 044
Transport equipment	400	40	-	440	433	7	98.4%	-	464
Other machinery and equipment	320	(40)	-	280	178	102	63.6%	1 050	580
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 148 764	-	(7 282)	2 141 482	2 019 168	122 314	94.3%	2 040 925	1 986 669

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
APPROPRIATION STATEMENT
for the year ended 31 March 2016

Economic classification	2015/16					2014/15			
	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
Current payments	43 364	(149)	(4 100)	39 115	35 450	3 665	90.6%	51 381	35 763
Compensation of employees	22 364	(66)	(775)	21 523	21 516	7	100.0%	35 751	20 139
Goods and services	21 000	(83)	(3 325)	17 592	13 934	3 658	79.2%	15 630	15 624
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 024 761	83	-	2 024 844	1 959 692	65 152	96.8%	1 927 854	1 900 024
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	2 024 761	-	-	2 024 761	1 959 610	65 151	96.8%	1 927 854	1 900 024
Households	-	83	-	83	82	1	98.8%	-	-
Payments for capital assets	68 249	-	(3 182)	65 067	17 826	47 241	27.4%	43 288	39 012
Buildings and other fixed structures	68 249	-	(3 182)	65 067	17 826	47 241	27.4%	43 288	39 012
Machinery and equipment	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT

VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Economic classification	2015/16						2014/15		
	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
Current payments	11 550	66	-	11 616	5 589	6 027	48.1%	17 252	10 826
Compensation of employees	2 200	66	-	2 266	2 267	(1)	100.0%	6 462	1 964
Goods and services	9 350	-	-	9 350	3 322	6 028	35.5%	10 790	8 862
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	120	-	-	120	-	120	-	100	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Households	120	-	-	120	-	120	-	100	-
Payments for capital assets	720	-	-	720	611	109	84.9%	1 050	1 044
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	720	-	-	720	611	109	84.9%	1 050	1 044
Payments for financial assets	-	-	-	-	-	-	-	-	-

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
APPROPRIATION STATEMENT
for the year ended 31 March 2016

Sub programme	2015/16						2014/15		
	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
4.1.Transport Administration And Licencing	194 286	4 756	3 187	202 229	196 377	5 852	97.1%	163 966	161 897
4.2.Operator Licence And Permits	70 305	(4 756)	980	66 529	65 980	549	99.2%	78 869	44 096
Total for sub programmes	264 591	-	4 167	268 758	262 357	6 401	97.6%	242 835	205 994
Economic classification									
Current payments	192 203	(520)	980	192 663	192 747	(84)	100.0%	191 919	156 154
Compensation of employees	140 149	-	(2 340)	137 809	137 808	1	100.0%	150 134	115 293
Salaries and wages	103 390	15 276	-	118 666	118 667	(1)	100.0%	114 289	99 408
Social contributions	36 759	(15 276)	(2 340)	19 143	19 141	2	100.0%	35 845	15 885
Goods and services	51 764	(520)	3 320	54 564	54 939	(375)	100.7%	41 782	40 858
Administrative fees	31	(14)	-	17	17	-	100.0%	17	16
Advertising	1 950	(1 660)	-	290	290	-	100.0%	510	509
Minor assets	253	303	-	556	931	(375)	167.4%	604	514
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	200	40	-	240	240	-	100.0%	10	10
Communication	450	(390)	-	60	60	-	100.0%	27	24
Computer services	800	(449)	-	351	351	-	100.0%	467	466
Consultants: Business and advisory services	8 900	(1 469)	-	7 431	7 432	(1)	100.0%	1 667	1 659
Legal services	1 500	(785)	-	715	715	-	100.0%	1 463	1 461

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
APPROPRIATION STATEMENT
for the year ended 31 March 2016

Economic classification	2015/16					2014/15			
	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
Contractors	1 500	(586)	-	914	914	-	100.0%	985	984
Agency and support / outsourced services	2 500	(2 500)	-	-	-	-	-	225	224
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	3 180	240	-	3 420	3 421	(1)	100.0%	5 736	5 732
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	24	23
Inventory: Materials and supplies	-	-	-	-	-	-	-	10	36
Inventory: Medical supplies	-	-	-	-	-	-	-	32	-
Inventory: Other supplies	-	-	-	-	2 708	(2 708)	-	-	-
Consumable supplies	300	(164)	-	136	136	-	100.0%	345	344
Consumable: Stationery, printing and office supplies	13 300	3 991	3 320	20 611	17 901	2 710	86.9%	13 032	13 034
Operating leases	10 900	1 216	-	12 116	12 116	-	100.0%	8 719	7 919
Property payments	4 100	2 174	-	6 274	6 274	-	100.0%	6 045	6 044
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 650	(477)	-	1 173	1 173	-	100.0%	844	844
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	56	-	56	56	-	100.0%	65	61
Venues and facilities	250	(46)	-	204	204	-	100.0%	955	953
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	290	-	-	290	-	290	-	3	3
Interest	290	-	-	290	-	290	-	3	3
Rent on land	-	-	-	-	-	-	-	-	-

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
APPROPRIATION STATEMENT
for the year ended 31 March 2016

Economic classification	2015/16						2014/15		
	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									
Households	60	520	-	580	563	17	97.1%	738	528
Social benefits	60	520	-	580	549	31	94.7%	238	231
Other transfers to households	-	-	-	-	14	(14)	-	500	297
Payments for capital assets	72 328	-	3 182	75 510	69 043	6 467	91.4%	50 168	49 303
Buildings and other fixed structures	62 448	-	-	62 448	65 616	(3 168)	105.1%	48 385	47 548
Other fixed structures	62 448	-	-	62 448	65 616	(3 168)	105.1%	48 385	47 548
Machinery and equipment	7 780	-	3 182	10 962	3 427	7 535	31.3%	1 783	1 755
Transport equipment	5 700	1 142	-	6 842	1 868	4 974	27.3%	-	1 037
Other machinery and equipment	2 080	(1 142)	3 182	4 120	1 559	2 561	37.8%	1 783	718
Intangible assets	2 100	-	-	2 100	-	2 100	-	-	-
Payments for financial assets	-	-	5	5	4	1	80.0%	10	9
Total	264 591	-	4 167	268 758	262 357	6 401	97.6%	242 835	205 994

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT

VOTE 9

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Economic classification	2015/16					2014/15			
	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
Current payments	131 638	4 516	-	136 154	136 530	(376)	100.3%	116 093	114 195
Compensation of employees	92 508	6 239	-	98 747	98 749	(2)	100.0%	85 373	84 303
Goods and services	39 130	(1 723)	-	37 407	37 781	(374)	101.0%	30 720	29 891
Interest and rent on land	-	-	-	-	-	-	-	-	1
Transfers and subsidies	-	520	-	520	520	-	100.0%	600	433
Households	-	520	-	520	520	-	100%	600	433
Payments for capital assets	62 648	(280)	3 182	65 550	59 323	6 227	90.5%	47 263	47 260
Buildings and other fixed structures	53 448	520	-	53 968	57 143	(3 175)	105.9%	46 080	46 077
Machinery and equipment	7 100	(800)	3 182	9 482	2 180	7 302	23.0%	1 183	1 183
Land and subsoil assets									
Intangible assets	2 100			2 100	-	2 100	-		
Payments for financial assets	-	-	5	5	4	1	80.0%	10	9

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
 VOTE 9
APPROPRIATION STATEMENT
 for the year ended 31 March 2016

Economic classification	2015/16						2014/15		
	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
Current payments	60 565	(5 036)	980	56 509	56 217	292	99.5%	75 826	41 958
Compensation of employees	47 641	(6 239)	(2 340)	39 062	39 059	3	100.0%	64 761	30 990
Goods and services	12 634	1 203	3 320	17 157	17 158	(1)	100.0%	11 062	10 967
Interest and rent on land	290	-	-	290	-	290	-	3	2
Transfers and subsidies	60	-	-	60	43	17	71.7%	138	95
Households	60	-	-	60	43	17	71.7%	138	95
Payments for capital assets	9 680	280	-	9 960	9 720	240	97.6%	2 905	2 043
Buildings and other fixed structures	9 000	(520)	-	8 480	8 473	7	99.9%	2 305	1 471
Machinery and equipment	680	800	-	1 480	1 247	233	84.3%	600	572
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
APPROPRIATION STATEMENT
for the year ended 31 March 2016

PROGRAMME 5: GAUTRAIN RAPID LINK									
Sub programme	2015/16					2014/15			
	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
5.1.Gautrain Rapid Link	1 561 451	-	-	1 561 451	1 561 451	-	100.0%	1 311 748	1 311 748
Total for sub programmes	1 561 451	-	-	1 561 451	1 561 451	-	100.0%	1 311 748	1 311 748

Economic classification									
Transfers and subsidies	1 561 451	-	-	1 561 451	1 561 451	-	100.0%	1 311 748	1 311 748
Departmental agencies and accounts	1 561 451	-	-	1 561 451	1 561 451	-	100.0%	1 311 748	1 311 748
Total	1 561 451	-	-	1 561 451	1 561 451	-	100.0%	1 311 748	1 311 748

5.1: GAUTRAIN RAPID LINK									
Economic classification	2015/16					2014/15			
	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	1 561 451	-	-	1 561 451	1 561 451	-	100.0%	1 311 748	1 311 748
Departmental agencies and accounts	1 561 451	-	-	1 561 451	1 561 451	-	100.0%	1 311 748	1 311 748

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2016

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

2. 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.

3. 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.

4. 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	294 305	239 213	55 092	19%
Transport infrastructure	2 215 605	2 177 112	38 493	2%
Transport operations	2 141 482	2 019 168	122 314	6%
Transport regulation	268 758	262 357	6 401	2%
Gautrain	1 561 451	1 561 451	0	0%

4.2 Per economic classification

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
Current payments	1 419 749	1 336 094	83 655	6%
Compensation of employees	549 061	549 027	34	0%
Goods and services	869 858	786 608	83 250	10%
Interest and rent on land	830	459	371	45%
Transfers and subsidies	3 593 675	3 527 500	66 175	2%
Provinces and municipalities	1 606	1 079	527	33%
Departmental agencies and accounts	1 561 451	1 561 451	0	0%
Public corporations and private enterprises	2 024 761	1 959 610	65 151	3%
Households	5 857	5 360	497	8%
Payments for capital assets	1 451 137	1 378 676	72 461	5%
Buildings and other fixed structures	1 226 919	1 179 703	47 216	4%
Machinery and equipment	221 118	198 836	22 282	10%
Land and subsoil assets	-	-	-	-
Intangible assets	3 100	137	2 963	96%
Payments for financial assets	17 040	17 031	9	0 %

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2016

The Department incurred total under spending of R222.300 million for the 2015/2016 financial year. The breakdown of the under-spending per programme is as follows:

1. Administration-R55 093 million

The under-spending within this programme occurred as a result of the following:

- 1.1. The non-implementation of a comprehensively new HVAC system for the department’s head office building, a project that is being implemented by Gauteng Department of Infrastructure Development.(GDID)
- 1.2. The delays in the designs for the refurbishment of the Zwartkop Training Centre, another project that is being implemented by GDID.
- 1.3. The delay in the full implementation of planned security upgrades for the department and its regional offices could not occur as the legal matter surrounding the security service providers has not yet been finalised.
- 1.4. The other items that under-spent their budgets were operational items that were managed through the departments strict implementation of the cost-containment measures as required by National Treasury.

2. Transport Infrastructure R38 941 million

The under-spending within this programme occurred mainly as a result of the department being unable to award and spend on its tender relating to road marking services due to investigative processes undertaken by the department which were still pending as at financial year end.

3. Transport Operations-R122 314 million

The reported under-spending within this programme actually consists of both under-spending as well as savings. The breakdown is as follows:

- 3.1. A total amount of R65 271 million relates to savings that were realised within the Public Transport Operations Grant. These unspent funds were as a result of penalties levied by the department against the bus operators. In addition the allocation that formed part of the NW Star for the West-Rand bus service was not spent because the plans for this service were put on hold pending the outcome of discussions with the applicable municipalities and bus operators.
- 3.2. The remaining amount of R57 043 million relates primarily to under spending that occurred in respect of the infrastructure projects within this programme (IPTNs and NMT projects) that were plagued with anticipated work stoppages by contractor for which penalties were levied by the department.

4. Transport Regulations-R6 402 million

The reported under-spending is mainly as a result of the departments strict application of the National Treasury’s cost containment measures.

4.3 Per conditional grant

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Provincial Roads Maintenance Grant	455 821	455 091	730	0%
Public Transport Operations Grant	1 879 761	1 850 018	29 743	2%
Expanded Public Works Programme	2 519	2 516	3	0%

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2016

	<i>Note</i>	2015/16 R'000	2014/15 R'000
REVENUE			
Annual appropriation	1	6 481 601	6 033 416
Departmental revenue	2	3 278 227	3 005 863
TOTAL REVENUE		9 759 828	9 039 279
EXPENDITURE			
Current expenditure			
Compensation of employees	3	549 027	488 559
Goods and services	4	786 608	850 668
Interest and rent on land	5	459	226
Total current expenditure		1 336 094	1 339 453
Transfers and subsidies			
Transfers and subsidies	7	3 527 500	3 470 779
Total transfers and subsidies		3 527 500	3 470 779
Expenditure for capital assets			
Tangible assets	8	1 378 539	1 001 708
Intangible assets	8	137	264
Total expenditure for capital assets		1 378 676	1 001 972
Unauthorised expenditure approved without funding	9	-	-
Payments for financial assets	6	17 031	59 880
TOTAL EXPENDITURE		6 259 301	5 872 084
SURPLUS/(DEFICIT) FOR THE YEAR		3 500 527	3 167 195
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		222 300	161 332
Annual appropriation		191 824	127 900
Conditional grants		30 476	33 432
Departmental revenue and NRF Receipts	13	3 278 227	3 005 863
SURPLUS/(DEFICIT) FOR THE YEAR		3 500 527	3 167 195

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
STATEMENT OF FINANCIAL POSITION
As at 31 March 2016

	<i>Note</i>	2015/16 R'000	2014/15 R'000
ASSETS			
Current assets		503 682	418 678
Unauthorised expenditure	9	195 457	195 457
Cash and cash equivalents	10	307 617	221 526
Receivables	11	608	1 695
Non-current assets		1 631	19 292
Receivables	11	1 631	19 292
TOTAL ASSETS		505 313	437 970
LIABILITIES			
Current liabilities		505 082	437 586
Voted funds to be surrendered to the Revenue Fund	12	233 825	172 857
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	271 106	262 701
Payables	14	151	2 028
TOTAL LIABILITIES		505 082	437 586
NET ASSETS		231	384
Represented by:			
Recoverable revenue		231	384
TOTAL		231	384

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
 VOTE 9
STATEMENT OF CHANGES IN NET ASSETS
 for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
Recoverable revenue			
Opening balance		384	368
Transfers:		(153)	16
Irrecoverable amounts written off	6.1	(368)	(275)
Debts revised		-	-
Debts recovered (included in departmental receipts)		-	-
Debts raised		215	291
Closing balance		231	384
TOTAL		231	384

In prior years the Debt Receivable Income and Debt Receivable Interest accounts were set off against the Debt Account to arrive at a net debt balance. This practice led to an understatement of receivables by an amount of R384 000. The error was discovered and corrected in 2015/16 financial year see below adjusting entries:

Account Details	Financial Year	
	2014/15	
	000	
DR: Debt Account	384	
CR: Recoverable Revenue		384

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
CASH FLOW STATEMENT
for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		9 755 337	9 039 279
Annual appropriated funds received	1.1	6 481 601	6 033 416
Statutory appropriated funds received		-	-
Departmental revenue received	2	3 273 675	3 005 835
Interest received	2.2	61	28
NRF Receipts		-	-
Aid assistance received		-	-
Net (increase)/decrease in working capital		16 871	1 102
Surrendered to Revenue Fund		(3 431 154)	(3 189 829)
Surrendered to RDP Fund/Donor		-	-
Current payments		(1 335 635)	(1 339 227)
Interest paid	5	(459)	(226)
Payments for financial assets		(17 031)	(59 880)
Transfers and subsidies paid		(3 527 500)	(3 470 779)
Net cash flow available from operating activities	15	1 460 429	980 440
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(1 378 676)	(1 001 972)
Proceeds from sale of capital assets	2.3	4 491	-
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
Net cash flows from investing activities		(1 374 185)	(1 001 972)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		-	-
Increase/(decrease) in net assets		(153)	-
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		(153)	-
Net increase/(decrease) in cash and cash equivalents		86 091	(21 532)
Cash and cash equivalents at beginning of period		221 526	243 058
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	16	307 617	221 526

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

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

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been 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 spot exchange rates prevailing at the date of payment / receipt.
6	Comparative information
6.1	Prior period comparative information Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue
7.1	Appropriated funds Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. 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	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> · 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	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
8.3	<p>Accrued expenditure payable</p> <p>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 or in the case of transfers and subsidies when they are due and payable.</p> <p>Accrued expenditure payable is measured at cost.</p>
8.4	Leases
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> · 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.
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 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 Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
11	<p>Prepayments and advances 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>
12	<p>Loans and receivables Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
13	<p>Investments Investments are recognised in the statement of financial position at cost.</p>
14	<p>Financial assets</p>
14.1	<p>Financial assets (not covered elsewhere) A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
14.2	<p>Impairment of financial assets Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables Loans and payables are recognised in the statement of financial position at cost.</p>
16	<p>Capital Assets</p>
16.1	<p>Immovable capital assets 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 reliably, 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>

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 reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value.</p> <p>Subsequent expenditure that is of a capital nature 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 reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure 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	<p>Provisions and Contingents</p>
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 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>
19	<p>Fruitless and wasteful expenditure 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 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 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 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>Principal-Agent arrangements Agent-Principal arrangements are governed by the signed service level agreement and /or contracts.of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
24	<p>Departures from the MCS requirements The department has complied with the provision of Modified Cash Standards.</p>
25	<p>Capitalisation reserve The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/ Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>

26	<p>Recoverable revenue Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
27	<p>Related party transactions 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> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
28	<p>Inventories At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.</p>
29	<p>Public-Private Partnerships Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>

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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:

	2015/16			2014/15	
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
ADMINISTRATION	294 305	294 305	-	293 352	293 352
TRANSPORT INFRASTRUCTURE	2 215 605	2 215 605	-	2 144 556	2 144 556
TRANSPORT OPERATIONS	2 141 482	2 141 482	-	2 040 925	2 040 925
TRANSPORT REGULATION	268 758	268 758	-	242 835	242 835
GAUTRAIN	1 561 451	1 561 451	-	1 311 748	1 311 748
Total	6 481 601	6 481 601	-	6 033 416	6 033 416

1.2 Conditional grants

	Note	2015/16 R'000	2014/15 R'000
Total grants received	34	2 338 101	2 337 897
Provincial grants included in Total Grants received		-	-

2. Departmental revenue

Tax revenue		3 217 032	2 949 662
Sales of goods and services other than capital assets	2.1	54 970	53 937
Interest, dividends and rent on land	2.2	61	28
Sales of capital assets	2.3	4 491	-
Transactions in financial assets and liabilities	2.4	1 673	2 236
Total revenue collected		3 278 227	3 005 863
Less: Own revenue included in appropriation		-	-
Departmental revenue collected		3 278 227	3 005 863

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2.1 Sales of goods and services other than capital assets

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Sales of scrap, waste and other used current goods		54 970	53 937
Total		54 970	53 937

Included in "Sales of scrap, waste and other used current goods" category are receipts received for abnormal loads licenses, Personalised number plates, Permits of operators, and Sales of tender documents.

2.2 Interest, dividends and rent on land

Interest		61	28
Total		61	28

2.3 Sale of capital assets

Tangible assets		4 491	-
Machinery and equipment	30	4 491	-
Total		4 491	-

2.4 Transactions in financial assets and liabilities

Receivables		1 673	2 220
Stale cheques written back		-	16
Total		1 673	2 236

3. Compensation of employees

3.1 Salaries and Wages

Basic salary		367 433	327 798
Performance award		8 916	7 574
Service Based		904	584
Compensative/circumstantial		9 887	10 183
Periodic payments		13 131	14 582
Other non-pensionable allowances		71 450	62 305
Total		471 721	423 026

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3.2 Social contributions

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Employer contributions			
Pension		47 210	42 217
Medical		29 963	23 183
Bargaining council		133	133
Total		77 306	65 533
Total compensation of employees			
		549 027	488 559
Average number of employees		1 912	1 850

4. Goods and services

Administrative fees		1 090	832
Advertising		10 928	8 352
Minor assets	4.1	1 900	1 842
Bursaries (employees)		1 418	562
Catering		1 625	893
Communication		11 611	14 020
Computer services	4.2	4 518	6 877
Consultants: Business and advisory services		22 977	19 092
Infrastructure and planning services		13 270	9 685
Laboratory services		314	66
Scientific and technological services		-	-
Legal services		11 861	17 300
Contractors		576 048	669 260
Agency and support / outsourced services		-	231
Audit cost – external	4.3	6 272	5 431
Fleet services		8 525	10 840
Inventory	4.4	21 190	2 716
Consumables	4.5	24 520	19 567
Housing		-	-
Operating leases		12 753	8 568
Property payments	4.6	36 173	35 659
Rental and hiring		-	5
Transport provided as part of the departmental activities		412	705
Travel and subsistence	4.7	10 906	10 611
Venues and facilities		2 231	3 022
Training and development		5 771	4 429
Other operating expenditure	4.8	295	103
Total		786 608	850 668

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4.1 Minor assets

	<i>Note</i>	2015/16	2014/15
	4	R'000	R'000
Tangible assets		1 900	1 842
Machinery and equipment		1 900	1 842
Intangible assets		-	-
Total		1 900	1 842

4.2 Computer services

External computer service providers		4 518	6 877
Total		4 518	6 877

4.3 Audit cost – External

Regularity audits		5 750	4 804
Investigations		-	205
Computer audits		522	422
Total		6 272	5 431

4.4 Inventory

Clothing material and accessories		1 549	45
Farming supplies		-	76
Fuel, oil and gas		-	254
Materials and supplies		16 933	1 915
Medical supplies		-	426
Other supplies	4.4.1	2 708	-
Total		21 190	2 716

4.4.1 Other supplies

Other		2 708	-
Total		2 708	-

Included in other supplies is expenditure for face values.

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4.5 Consumables

	<i>Note</i>	2015/16	2014/15
	4	R'000	R'000
Consumable supplies		2 662	1 986
Uniform and clothing		107	-
Household supplies		365	243
Building material and supplies		1 589	82
IT consumables		594	1 405
Other consumables		7	256
Stationery, printing and office supplies		21 858	17 581
Total		24 520	19 567

4.6 Property payments

Municipal services		16 407	16 685
Other		19 766	18 974
Total		36 173	35 659

Included in Other property payments is expenditure relating to Security, Cleaning and Gardening services.

4.7 Travel and subsistence

Local		10 426	10 604
Foreign		480	7
Total		10 906	10 611

4.8 Other operating expenditure

Professional bodies, membership and subscription fees		-	-
Resettlement costs		239	39
Other		56	64
Total		295	103

5. Interest and rent on land

Interest paid		459	226
Rent on land		-	-
Total		459	226

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6. Payments for financial assets

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Debts written off	6.1	17 031	59 880
Total		17 031	59 880

6.1 Debts written off

Nature of debts written off

Employees		14	312
Ex-employees		372	-
Other		16 476	59 560
Supplier		169	-
Breach of Contract Ex-Employee		-	8
Total		17 031	59 880
Total debt written off		17 031	59 880

The amount of R16.476 million relates to the interdepartmental balance written off during the financial year.

7. Transfers and subsidies

Provinces and municipalities	<i>Annex 1A and 35</i>	1 079	1 256
Departmental agencies and accounts	<i>Annex 1B</i>	1 561 451	1 311 748
Public corporations and private enterprises	<i>Annex 1C</i>	1 959 611	1 900 024
Households	<i>Annex 1D</i>	5 359	257 751
Total		3 527 500	3 470 779

8. Expenditure for capital assets

Tangible assets		1 378 539	1 001 708
Buildings and other fixed structures	32	1 179 703	938 426
Machinery and equipment	30	198 836	63 282
Intangible assets		137	264
Software	31	137	264
Total		1 378 676	1 001 972

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8.1 Analysis of funds utilised to acquire capital assets – 2015/16

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	1 378 539		1 378 539
Buildings and other fixed structures	1 179 703	-	1 179 703
Machinery and equipment	198 836	-	198 836
Intangible assets	137	-	137
Software	137	-	137
Total	1 378 676	-	1 378 676

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

	Voted funds R'000	Aid assistance R'000	Total R'000
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

8.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2015/16 R'000	2014/15 R'000
Tangible assets			
Machinery and equipment		6 727	6 459
Total		6 727	6 459

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9. Unauthorised expenditure

9.1 Reconciliation of unauthorised expenditure

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Opening balance		195 457	195 457
Prior period error		-	-
As restated		195 457	195 457
Unauthorised expenditure – discovered in current year (as restated)		-	-
Less: Amounts approved by Parliament/Legislature with funding		-	-
Less: Amounts approved by Parliament/Legislature without funding		-	-
Capital		-	-
Current		-	-
Transfers and subsidies		-	-
Less: Amounts transferred to receivables for recovery		-	-
Closing balance		195 457	195 457
Analysis of awaiting authorisation per economic classification			
Current		11 526	11 526
Capital		183 931	183 931
Transfers and subsidies		-	-
Total		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
Transfers and subsidies	-	-
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
Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division	-	-
Total	195 457	195 457

The unauthorised expenditure totalling R195 457 million is awaiting authorisation from the Provincial Public Accounts Committee.

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10. Cash and cash equivalents

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Consolidated Paymaster General Account		307 535	221 444
Cash on hand		82	82
Total		307 617	221 526

An amount of R 376,242.25 is disclosed on this note as cash on hand as at 31 March 2016. This amount relates to monies collected by the department's Driving License Testing Centres (DLTC's) but no banked before year end.

11. Receivables

	<i>Note</i>	2015/16			2014/15		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	11.1	-	-	-	402	16 476	16 878
Recoverable expenditure	11.2	43	-	43	30	-	30
Staff debt	11.3	565	-	565	1 263	-	1 263
Other debtors	11.4	-	1 631	1 631	-	2 816	2 816
Total		608	1 631	2 239	1 695	19 292	20 987

A total amount of R2 264 288.89 is a potential receivable from the relevant service providers and/or officials within the Department for various projects that overspent without appropriate approval. The Department is investigating these matters.

11.1 Claims recoverable

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Provincial departments	<i>11 and Annex 3</i>	-	16 507
Public entities		-	371
Total		-	16 878

11.2 Recoverable expenditure (disallowance accounts)

Sal:Deduction disall Acc:Ca	1	-
Sal:Reversal Control	41	29
Sal:Tax Debt	1	1
Total	43	30

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11.3 Staff Debt

	Note	2015/16	2014/15
	11	R'000	R'000
Breach of Contract Ex-employee		118	505
Employee		37	473
Ex-employee		410	114
Suppliers		-	171
Total		565	1 263

11.4 Other debtors

Other		1 631	2 816
Total		1 631	2 816

Included in other debts are amounts that relates to credit notes that have not yet been recouped as well as the security deposit for the Xavier DLTC.

11.5 Impairment of receivables

Estimate of impairment of receivables		52	66
Total		52	66

12. Voted funds to be surrendered to the Revenue Fund

Opening balance		172 857	236 741
Prior period error		-	-
As restated		172 857	236 741
Transfer from statement of financial performance (as restated)		222 300	161 332
Add: Unauthorised expenditure for current year	11	-	-
Voted funds not requested/not received	1.1	-	-
Paid during the year		(161 332)	(225 216)
Closing balance		233 825	172 857

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

Opening balance		262 701	221 451
Prior period error		-	-
As restated		262 701	221 451
Transfer from Statement of Financial Performance (as restated)		3 278 227	3 005 863
Own revenue included in appropriation		-	-
Transfer from aid assistance		-	-
Paid during the year		(3 269 822)	(2 964 613)
Closing balance		271 106	262 701

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14. Payables – current

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Amounts owing to other entities		-	581
Advances received	14.1	-	1 000
Other payables	14.2	151	447
Total		151	2 028

14.1 Advances received

National departments	-	1 000
Total	-	1 000

14.2 Other payables

Sal:ACB Recalls:CA	49	32
Sal:Pension Fund:CL	6	21
Sal:Bargaining Councils:CL	1	-
Sal:Income Tax:CL	95	394
Other payable	-	-
Total	151	447

15. Net cash flow available from operating activities

Net surplus/(deficit) as per Statement of Financial Performance	3 500 527	3 167 195
Add back non cash/cash movements not deemed operating activities	(2 040 098)	(2 186 755)
(Increase)/decrease in receivables – current	18 748	60 331
Increase/(decrease) in payables – current	(1 877)	(59 229)
Proceeds from sale of capital assets	(4 491)	-
Expenditure on capital assets	1 378 676	1 001 972
Surrenders to Revenue Fund	(3 431 154)	(3 189 829)
Net cash flow generated by operating activities	1 460 429	980 440

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

Consolidated Paymaster General account	307 535	221 444
Cash on hand	82	82
Total	307 617	221 526

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17. Contingent liabilities and contingent assets

17.1 Contingent liabilities

	Note	2015/16 R'000	2014/15 R'000
#Claims against the department	Annex 2A	1 355 211	1 285 865
Intergovernmental payables (unconfirmed balances)	Annex 4	421	525
Other	Annex 2A	-	5 542
Total		1 355 632	1 291 932

#Included in the amount disclosed as claims against the department are claims relating to the expropriation of land parcels that were used in the construction of the Gauteng Rapid Railway Link. These claims were lodged directly against the Gauteng Province and prior to the establishment of the Gautrain Management Agency (GMA). The outcomes of these claims are still pending.

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 2015-16 financial year was R1.189 billion included in Note 27. Reference is made the notes Contingent Liabilities and Commitments as contained in the Annual Report of the Gautrain Management Agency. or additional information and disclosure on the Patronage guarantee.

17.2 Contingent assets

Nature of contingent asset

Construction of Road K46 phase 1(William Nicol Drive)	-	113 054
Other	-	420
*Construction of Road K54	55 154	-
Total	55 154	113 474

The construction of the road K46 phase 1 (William Nicol Drive) was completed during the current financial period. Subsequently, the R113 054 million as recorded for the 2014/2015 has been included as part of the total cost of the project which has been included as part of the departments immovable assets as reflected in Note 32 to the Annual Financial Statements

*The scope of work to be undertaken by the Developer constitutes the design of dual carriageway road of the section of K54 between D2561 and K69 in Mamelodi.

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18. Commitments

	Note	2015/16 R'000	2014/15 R'000
Current expenditure			
Approved and contracted		2 147 244	5 131
Approved but not yet contracted		-	-
		2 147 244	5 131
Capital expenditure			
Approved and contracted		4 002 332	2 133 405
Approved but not yet contracted		-	-
		4 002 332	2 133 405
Total Commitments		6 149 576	2 138 536

Analysis of commitments

Commitment less than 1 year R 3 033 818

Commitment more than 1 year R3 115 757

Included in the year end commitment balance for 2015/2016 are commitments totalling R59.781million that relate to projects which are being implemented on behalf of the department by the Gauteng Department of Infrastructure Development (DID). DID serves as an infrastructure implementing agent for the department.

19. Accruals and payables not recognised

19.1 Accruals

Listed by economic classification

	30 Days	30+ Days	Total	Total
Goods and services	13 419	7	13 426	9 609
Interest and rent on land	-	-	-	-
Transfers and subsidies	18 009	-	18 009	20 066
Capital assets	53 174	1 716	54 890	102 446
Other				582
Total	84 602	1 723	86 325	132 703

Listed by programme level

Administration	4 655	6 558
Transport Infrastructure	54 148	102 527
Transport Operations	24 096	19 720
Transport Regulations	3 426	3 898
Total	86 325	132 703

Included in the year end accrual balance for 2015/2016 are accruals totalling R1.752 million that relate to projects which are being implemented on behalf of the department by the Gauteng Department of Infrastructure Development (DID). DID serve as an infrastructure implementing agent for the department.

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19.2 Payables not recognised

		<i>Note</i>	2015/16 R'000	2014/15 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	5 427	-	5 427	4 119
Transfers and subsidies		-		-
Capital assets	447	-	447	1 333
Other	26 112	-	26 112	22 235
Total	31 986	-	31 986	27 687

Listed by programme level

Administration	1 715	1 213
Transport Infrastructure	1 987	2 419
Transport Operations	869	-
Transport Regulations	27 415	24 055
Total	31 986	27 687

Included in the above totals are the following:

Confirmed balances with other departments	<i>Annex 4</i>	8 719	2 471
Confirmed balances with other government entities	<i>Annex 4</i>	23 267	25 216
Total		31 986	27 687

20. Employee benefits

Leave entitlement	28 378	26 465
Service bonus (Thirteenth cheque)	16 455	14 425
Performance awards	9 498	8 254
Capped leave commitments	23 495	22 652
Other	2 186	621
Total	80 012	72 417

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21. Lease commitments

21.1 Operating leases expenditure

2015/16	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	9 860	3 041	12 901
Later than 1 year and not later than 5 years	-	-	23 300	4 701	28 001
Later than five years	-	-	-	-	-
Total lease commitments	-	-	33 160	7 742	40 902

2014/15	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
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

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 expires in 2019. The future minimum lease payments expected to be made for the next twelve month and not later than five years is R8.904 million and R19.588 million respectively, these figures include annual escalation of 10%

21.2 Finance leases expenditure**

2015/16	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	1 089	1 089
Later than 1 year and not later than 5 years	-	-	-	50	50
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	1 139	1 139

2014/15	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
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

The Department did not enter into any material finance leasing during the year under review.

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22. Accrued departmental revenue

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Tax revenue		301 212	276 471
Total		301 212	276 471

22.1 Analysis of accrued departmental revenue

Opening balance		276 471	249 161
Less: amounts received		(3 217 032)	(2 949 662)
Add: amounts recognised		3 241 773	2 989 995
Less: amounts written-off/reversed as irrecoverable		-	13 023
Closing balance		301 212	276 471

22.2 Accrued department revenue written off

Nature of losses			
Writing off of interest in relation to outstanding road traffic act fees		-	13 023
Total		-	13 023

23. Irregular expenditure

23.1 Reconciliation of irregular expenditure

Opening balance		789 673	1 990 499
Prior period error		-	-
As restated		789 673	1 990 499
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		2 031 792	1 942 658
Less: Prior year amounts condoned		-	(1 879 917)
Less: Current year amounts condoned		-	(1 263 567)
Less: Amounts not condoned and recoverable		-	-
Less: Amounts not condoned and not recoverable		-	-
Closing balance		2 821 465	789 673

Analysis of awaiting condonation per age classification

Current year	2 031 792	679 091
Prior years	789 673	110 582
Total	2 821 465	789 673

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23.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2015/16 R'000
Extension of Bus subsidy contracts devolved from the National Department of Transport (NDoT) including bus monitoring firms.	The department has referred the irregular expenditure to the National Treasury for condonation.	1 959 611
Extension of security and cleaning service contracts due to an on-going ligation process.	The department has referred the irregular expenditure to the National Treasury for condonation.	15 976
IPW 's for design and supervision of construction on road R25 and R82	The department has referred the irregular expenditure to the National Treasury for condonation.	16 181
Other goods and services acquired by the Department without following proper procurement procedure	Under Investigation	263
Construction of intermodal public transport facilities at the station precincts of Vereeniging	Resolved	33 206
Construction of intermodal public transport facilities at the station precincts of Leratong		6 556
Total		2 031 792

24. Fruitless and wasteful expenditure

24.1 Reconciliation of fruitless and wasteful expenditure

	Note	2015/16 R'000	2014/15 R'000
Opening balance		404 007	153 344
Prior period error		-	-
As restated		404 007	153 344
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		498	250 663
Less: Amounts resolved		(403 570)	-
Less: Amounts transferred to receivables for recovery		-	-
Closing balance		935	404 007

24.2 Analysis of awaiting resolution per economic classification

Current	935	1 716
Capital	-	151 854
Transfers and subsidies	-	250 437
Total	935	404 007

24.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2015/16 R'000
Municipalities-Interest paid on late payments	Under Investigation	27
Eskom-Interest paid on late payments	Under Investigation	1
Court order payment	Under Investigation	431
Cancelation of Airline tickets	Investigation completed	39
Total		498

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25. Related party transactions

Revenue received	Note	2015/16 R'000	2014/15 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets		-	-
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land		-	-
Sales of capital assets		-	-
Transfers received		-	-
Total		-	-
Goods and services		-	-
Interest and rent on land		-	-
Expenditure for capital assets		-	-
Payments for financial assets		-	-
Transfers		-	-
Total		-	-
Year end balances arising from revenue/payments			
Receivables from related parties		-	-
Payables to related parties		-	-
Total		-	-
Loans to /from related parties			
Non-interest bearing loans to/(from)		-	-
Interest bearing loans to/(from)		-	-
Total		-	-
Other			
Guarantees issued/received		-	-
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 financial year (2015/16): g-Fleet Management R 12,185 million payments made for fleet services, these transactions were at arm's length. Gautrain Management Agency (GMA) R 1,561 billion (Total value of transfer payments made during the year). Key Management Personnel are deemed to be related parties, for 2015/16 financial year a total amount of R 20, 601 million was paid as compensation to Key Management Personnel. Please refer to note 34 for a detailed breakdown of payments made in 2015/16 financial year as compensation to Key Management Personnel.

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26. Key management personnel

	No. of Individuals	2015/16 R'000	2014/15 R'000
Political office bearers (provide detail below)	1	1 902	1 822
Officials:			
Level 15 to 16	6	7 988	6 829
Level 14	11	10 711	11 120
Family members of key management personnel		-	-
Total		20 601	19 771

27. Public Private Partnership

The Department on behalf of the Gauteng Province has in existence 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 80km's of rail and 10 stations. The management and oversight of the of the concession agreement for the Gautrain Rapid Rail Link Project is undertaken by the Gautrain Management Agency, a schedule 3C provincial public entity which was established in terms of the Gautrain Management Act, Act No 5 of 2006.

Concession fee received	1 561 451	1 311 748
Base fee received	-	-
Variable fee received	-	-
MTEF	1 561 451	1 311 748
Unitary fee paid		
Fixed component	-	-
Indexed component	-	-
Capital / (Liabilities)		
Tangible rights	-	-
Intangible rights	-	-
Plant and equipment	-	-
Loans	-	-
Other		
Prepayments and advances	-	-
Pre-production obligations	-	-
Other obligations	-	-

During 2015/16 financial year, the Department transferred R1.561 billion as part of the Voted Funds to ensure business continuity and service delivery in respect of the Gautrain Rapid Rail Link Project. Users of the financial statements are referred to the Annual Report for the Gautrain Management Agency in respect of any additional information pertaining to management and oversight of the Concession Agreement relating to the Gautrain Rapid Rail Link Project.

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28. Provisions

	Note	2015/16 R'000	2014/15 R'000
Ex-Employee debt		-	-
Supplier debt		-	-
Retentions		47 060	-
License fees		5 884	
Sebokeng DLTC		1 720	
Total		54 664	-

In 2014/15 financial year the Department incorrectly disclosed an amount of R292 000 as Provision. The error was discovered and corrected in 2015/16 financial year. The amount was impaired and disclosed in the Impairments note (Note 11).

28.1 Reconciliation of movement in provisions – 2015/16

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	-	-	-	-
Increase in provision	54 664	-	-	54 664
Closing balance	54 664	-	-	54 664

29. Non-adjusting events after reporting date

Nature of event	2015/16 R'000
Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made.	-
Total	-

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30. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	213 819	-	202 267	(9 379)	406 707
Transport assets	127 874	-	191 707	(6 513)	313 068
Computer equipment	46 453	-	5 617	(2 001)	50 069
Furniture and office equipment	12 989	-	695	(110)	13 574
Other machinery and equipment	26 503	-	4 248	(755)	29 996
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	213 819	-	202 267	(9 379)	406 707

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	1 876	69 421

Included in the asset register is a total amount of R 69,421 million relating to assets that could not be verified at year-end. The Department has achieved a 12% (R9 846 million) year in year reduction of the total number of unverified assets. These assets are incorporated in the loss control register, appropriate actions will be taken once the internal investigation has been finalized and necessary adjustments will be done during 2016/17 financial year. Please refer to the above table.

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30.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	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	198 836	-	(6 727)	10 158	202 267
Transport assets	181 473	-	-	10 234	191 707
Computer equipment	5 511	-	-	106	5 617
*Furniture and office equipment	695	-	-	-	695
Other machinery and equipment	11 157	-	(6 727)	(182)	4 248
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	198 836	-	(6 727)	10 158	202 267

*Included is an amount of R410 819 (four hundred and ten thousand eight hundred and nineteen rand only) relating to assets purchased which are currently under investigation.

30.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	7 378	2 001	9 379	4 491
Transport assets	6 513	-	6 513	4 320
Computer equipment	-	2 001	2 001	-
Furniture and office equipment	110	-	110	19
Other machinery and equipment	755	-	755	152
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	7 378	2 001	9 379	4 491

The above proceeds (R4.491million) were received in relation to sale of obsolete and redundant assets through public auction held by the Department during the third quarter of 2015/16 financial year.

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30.3 Movement for 2014/15

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Prior period error 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

30.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2016

	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	-	30 511	-	30 613
Additions	-	-	-	1 900	-	1 900
Disposals	-	-	-	(793)	-	(793)
TOTAL MINOR ASSETS	-	102	-	31 618	-	31 720

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	413	-	413
Number of minor assets at cost	-	-	-	25 181	-	25 181
TOTAL NUMBER OF MINOR ASSETS	-	-	-	25 594	-	25 594

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:		
Intangible assets	-	-
Machinery and equipment	6 523	8 705

Included in the asset register is a total amount of R 8,705 million relating to assets that could not be verified at year-end. The Department has achieved a 5% year in year reduction of the total number of unverified assets. These assets are incorporated in the loss control register, appropriate actions will be taken once the internal investigation has been finalized and necessary adjustments will be done during 2016/17 financial year. Please refer to the above table.

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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
Prior period error	-	-	-	-	-	-
Additions	-	-	-	2 935	-	2 935
Disposals	-	-	-	-	-	-
TOTAL MINOR ASSETS	-	102	-	30 511	-	30 613

	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
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	-	-	-	-
TOTAL NUMBER OF MINOR ASSETS	-	-	-	-	-	-

31. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	25 234	-	137	-	25 371
TOTAL INTANGIBLE CAPITAL ASSETS	25 234	-	137	-	25 371

31.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2016

	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	137	-	-	-	137
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	137	-	-	-	137

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31.2 Movement for 2014/15

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Prior period error 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

32. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	26 917 772	-	1 970 397	146 512	28 741 657
Other fixed structures	26 917 772	-	1 970 397	146 512	28 741 657
LAND AND SUBSOIL ASSETS	142 094	-	43 541	-	185 635
Land	142 094	-	43 541	-	185 635
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	27 059 866	-	2 013 938	146 512	28 927 292

32.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	1 136 162	1 190 576	(356 341)	-	1 970 397
Other fixed structures	1 136 162	1 190 576	(356 341)	-	1 970 397
LAND AND SUBSOIL ASSETS	43 541	-	-	-	43 541
Land	43 541	-	-	-	43 541
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	1 179 703	1 190 576	(356 341)	-	2 013 938

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32.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	146 512	146 512	-
Other fixed structures	-	146 512	146 512	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	-	146 512	146 512	-

32.3 Movement for 2014/15

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	25 586 264	1 260 389	71 119	-	26 917 772
Other fixed structures	25 586 264	1 260 389	71 119	-	26 917 772
LAND AND SUBSOIL ASSETS	123 795	8 269	10 030	-	142 094
Land	123 795	8 269	10 030	-	142 094
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	25 710 059	1 268 658	81 149	-	27 059 866

32.3.1 Prior period error

	Note	2015/16 R'000
Nature of prior period error		
Relating to 2012/13 and 2014/15		8 269
Adjustments relating to land		8 269
Relating to 2014/15		1 260 389
Adjustments relating to bridges		(55 091)
Adjustments relating to Other Fixed Structures		1 315 480
Total prior period errors		1 268 658

The prior year adjustments relating to bridges are assets that were incorrectly included in the Department's assets register. During the current financial year, the department managed to establish that the right of ownership was in fact that of The South African National Roads Agency Ltd.

The prior period adjustments disclosed under other fixed structures includes the adjustments relating to Walkways (R 32 million) constructed in and around the Kathlehong, Sebokeng and Metsweding areas. These walkways were constructed in order to prevent vehicles from mounting the kerb and parking on the walkway area.

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32.4 Immovable assets valued at R1

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2016

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Total R'000
R1 Immovable assets	632	-	-	632
TOTAL	632	-	-	632

33. Principal-agent arrangements

33.1 Department acting as the principal

	Fee paid	
	2015/16 R'000	2014/15 R'000
Ekurhuleni Metropolitan Municipality	305 944	286 848
Mogale City	30 846	24 964
Sedibeng Municipality	65 784	63 831
Randfontein Municipality	15 748	14 242
Westonaira Municipality	7 687	6 631
City of Johannesburg	231 573	226 923
Tshwane Metropolitan Municipality	140 706	137 999
South African Post Services	136 990	120 190
Merafong District Municipality	12 846	12 654
Total	948 124	894 282

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 range between 20% or 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.

GMA was established to co-ordinate, manage and play an oversight role in terms of the implementation and operational side of Gautrain Rapid Rail Link Project. For additional information pertaining to transfers to GMA please refer to Note 8 and 27.

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33.2 Department acting as the agent

	<i>Note</i>	2015/16 R'000	2014/15 R'000
33.2.1 Revenue received for agency activities			
		-	-
Total		<u>-</u>	<u>-</u>

The Department is collecting Pay As You Earn (PAYE) on behalf of South African Revenue Services (SARS) as required by Income Tax Act, no agency fees have been received in this regard.

34. Prior period errors

34.1 Correction of prior period errors

Recoverable revenue		-	384
		<u>-</u>	<u>384</u>

In prior years the Debt Receivable Income and Debt Receivable Interest accounts were set off against the Debt Account to arrive at a net debt balance. This practice led to an understatement of receivables by an amount of R384 000.

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35. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2014/15		
	Division of Revenue Act/ Provincial Grants R'000	Roll Overs R'000	DORA Adjustments R'000	Other Adjustments R'000	Total Available R'000	Amount received by department R'000	Amount spent by department R'000	Under / (Overspending) R'000	% of available funds spent by department %	Division of Revenue Act R'000	Amount spent by department R'000
Public Transport Operation Grant	1 860 048	19 713	-	-	1 879 761	1 879 761	1 850 018	29 743	98%	1 819 854	1 786 647
Provincial Roads Maintenance Grant	455 821	-	-	-	455 821	455 821	455 091	730	100%	514 903	514 893
Expanded Public Works Programme	2 519	-	-	-	2 519	2 519	2 516	3	100%	3 140	2 925
	2 318 388	19 713	-	-	2 338 101	2 338 101	2 307 625	30 476		2 337 897	2 304 465

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36. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department %
Mun B/Acc:Vehicle Licenses Mun	1 606	-	-	1 606	1 079	-	-
TOTAL	1 606	-	-	1 606	1 079	-	-

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ANNEXURE 1A (UNAUDITED SUPPLEMENTARY SCHEDULE)

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2014/15 R'000		
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department %	Amount received by municipality R'000		Amount spent by municipality R'000	% of available funds spent by municipality %
PD: Vehicle Licences	-	-	-	-	-	-	-	-	-	-	5
Mun B/Acc: Vehicle Licences Mun	1 606	-	-	1 606	1 079	-	-	-	-	-	1 300
TOTAL	1 606	-	-	1 606	1 079	-	-	-	-	-	1 305

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ANNEXURE 1B (UNAUDITED SUPPLEMENTARY SCHEDULE)

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2014/15 Appropriation Act
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Prov DA:Gautrain Man Agency	1 561 451	-	-	1 561 451	1 561 451	100%	1 311 748
TOTAL	1 561 451	-	-	1 561 451	1 561 451		1 311 748

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ANNEXURE 1C (UNAUDITED SUPPLEMENTARY SCHEDULE)

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2014/15 Appropriation Act R'000	
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Capital R'000	Current R'000		
Public Corporations										
Subsidies	2 005 048	19 713	-	2 024 761	1 959 611	96.8%	-	1 959 611	1 927 854	
Public Transport Operations Grant	1 860 048	19 713		1 879 761	1 850 018	98.4%		1 850 018	1 819 854	
Northwest Star Demarcation	145 000			145 000	109 593	75.6%		109 593	108 000	
Total	2 005 048	19 713	-	2 024 761	1 959 611	96.8%	-	1 959 611	1 927 854	

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ANNEXURE 1D (UNAUDITED SUPPLEMENTARY SCHEDULE)

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION			EXPENDITURE		2014/15 Appropriation Act	R'000
	Adjusted Appropriation Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer		
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
H/H:Empl S/Ben:Injury on duty	135	-	-	135	137	101%	410
H/H:Empl S/Ben:Leave gratuity	963	-	-	963	2 897	301%	2 339
H/H:Claims Against State (Cash)	3 005	-	-	3 005	2 325	77%	251 665
TOTAL	4 103	-	-	4 103	5 359		254 414

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ANNEXURE 1E (UNAUDITED SUPPLEMENTARY SCHEDULE)

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2015/16	2014/15
		R'000	R'000
Received in kind			
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
Sisonke Facilities	*Sponser	-	10
Proplan Construction	*Sponser	-	10
Nondo Trading	*Sponser	-	7
Vaal Wits Taxi Association	3x Wallets with R100.00 each	-	-
WSP Group Africa	15xGlass & Jar at a value of R72.00 each	2	-
Worlds View Academy	Training Programme	2	-
Steyn City Properties	Contribution towards construction of Road K46 (William Nicol) Phase 1	137 324	-
Steyn City Properties	Contribution towards rehabilitation of Cedar Road	9 023	-
TOTAL		146 350	86

*Donation received in kind for a value of R27000 was received in 2014/15 financial year but it was only declared 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 2016

ANNEXURE 2A (UNAUDITED SUPPLEMENTARY SCHEDULE)

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2016

NATURE OF LIABILITY	Opening Balance	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance
	1 April 2015				31 March 2016
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Claims against the department	1 285 865	199 367	129 965	-	1 355 267
Subtotal	1 285 865	199 367	129 965	-	1 355 267
Other					
Invoices disputed by the Department	5 542	-	5 542	-	-
Subtotal	5 542	-	5 542	-	-
TOTAL	1 291 407	199 367	135 507	-	1 355 267

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
 VOTE 9
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 March 2016

ANNEXURE 3 (UNAUDITED SUPPLEMENTARY SCHEDULE)

CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2015/16 * Receipt date up to six (6) working days after year end	Amount R'000
	31/03/2016 R'000	31/03/2015 R'000	31/03/2016 R'000	31/03/2015 R'000	31/03/2016 R'000	31/03/2015 R'000		
Department								
Gauteng Department of Infrastructure Development	-	21 521	-	-	-	21 521	-	-
Northwest Department of Roads and Transport	-	31	-	-	-	31	-	-
	-	21 552	-	-	-	21 552	-	-
Other Government Entities								
g-Fleet Management	-	371	-	-	-	371	-	-
	-	371	-	-	-	371	-	-
TOTAL	-	21 923	-	-	-	21 923	-	-

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016

ANNEXURE 4 (UNAUDITED SUPPLEMENTARY SCHEDULE)

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2015/16 *	
	31/03/2016 R'000	31/03/2015 R'000	31/03/2016 R'000	31/03/2015 R'000	31/03/2016 R'000	31/03/2015 R'000	Payment date up to six (6) working days before year end	Amount R'000
DEPARTMENT								
Current								
National Department of Justice and Constitution Development	2 852	1 232	421	525	3 273	1 757	-	-
Government Printing Works	738	1 214	-	-	738	1 214	-	-
Gauteng Department of Health	-	25	-	-	-	25	-	-
Gauteng Department of Correctional Services	18	-	-	-	18	-	-	-
Gauteng Department of Agriculture and Rural Development	62	-	-	-	62	-	-	-
Northwest Department of Community Safety and Transport Management	4 478	-	-	-	4 478	-	-	-
Department of Public Service and Administration	571	-	-	-	571	-	-	-
TOTAL	8 719	2 471	421	525	9 140	2 996		

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
 VOTE 9
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 March 2016

OTHER GOVERNMENT ENTITY

CURRENT						
g-Fleet Management	1 632	1 648	-	1 632	1 648	-
Gautrain Management Agency (GMA)	-	1 333	-	-	1 333	-
Road Traffic Management Corporation (RTMC)	13 917	13 945	-	13 917	13 945	-
Driving Licence Card Account (DLCA)	7 718	8 290	-	7 718	8 290	-
Subtotal	23 267	25 216	-	23 267	25 216	-
TOTAL	31 986	27 687	421	32 407	28 212	-

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
 VOTE 9
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 March 2016

ANNEXURE 5 (UNAUDITED SUPPLEMENTARY SCHEDULE)

INVENTORIES

INVENTORY	Note	Quantity	2015/16 R'000	Quantity	2014/15 R'000
	Opening balance			24 935	
Add/(Less): Adjustments to prior year balance			13 250		-
Add: Additions/Purchases - Cash			21 190		2 716
Add: Additions - Non-cash			-		-
(Less): Disposals			(54)		-
(Less): Issues			(5 641)		(4 334)
Add/(Less): Adjustments			-		-
Closing balance			53 780		24 935

The year to year increase is as a result of the inclusion of the Departmental Regional Offices inventory held at the end of the 2015-16 financial year

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
VOTE 9
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016

ANNEXURE 6 (UNAUDITED SUPPLEMENTARY SCHEDULE)

MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Current Year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	2 699 087	1 136 162	(1 970 397)	1 864 852
Other fixed structures	2 699 087	1 136 162	(1 970 397)	1 864 852
TOTAL	2 699 087	1 136 162	(1 970 397)	1 864 852

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Prior period error R'000	Current Year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	1 808 089	33 721	928 396	(71 119)	2 699 087
Other fixed structures	1 808 089	33 721	928 396	(71 119)	2 699 087
TOTAL	1 808 089	33 721	928 396	(71 119)	2 699 087

Included in the prior period error is a net amount of R33. 721 million relating to over and understatement of work in progress as disclosed in the Annexure 8 (unaudited supplementary schedule) in the 2013/14 financial year.

GAUTENG: DEPARTMENT OF ROADS AND TRANSPORT
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016

ANNEXURE 7A (UNAUDITED SUPPLEMENTARY SCHEDULE)

INTER-ENTITY ADVANCES RECEIVED (note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Current						
National Department of Transport	-	1 000	-	-	-	1 000
Subtotal	-	1 000	-	-	-	1 000
TOTAL		1 000	-	-	-	1 000
Current						
	-	1 000	-	-	-	1 000
Non-current						
	-	-	-	-	-	-

ANNEXURE 9 (UNAUDITED SUPPLEMENTARY SCHEDULE)

IMMOVABLE ASSETS ADDITIONAL DISCLOSURE

The detail for note 41.7 may be included in this annexure.

Wording to suit their specific circumstances in order to comply with the Immovable Asset Guide can be inserted here.

In addition to the detail for note 41.7 the department should address the information regarding:

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



g-FleeT MANAGEMENT

For the year ended
31 March 2016





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2.3. PART A: GENERAL INFORMATION

2.3.1. TRADING ENTITY GENERAL INFORMATION

NAME OF DEPARTMENT: g-Fleet Management

PHYSICAL ADDRESS: 16 Boeing Road East
Bedfordview
2000

POSTAL ADDRESS: Private Bag X83
Marshalltown
2008

TELEPHONE NUMBER/S: +27 11 372-8600

FAX NUMBER: +27 086 669 6926

WEBSITE ADDRESS: www.gfleet.gov.za

2.3.2. LIST OF ABBREVIATIONS/ACRONYMS

APP	Annual Performance Plan
AGSA	Auditor-General of South Africa
ASB	Accounting Standard Board
BAC	Bid Adjudication Committee
BAS	Basic Accounting System
BBBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operations Officer
CRM	Client Relations Management
DRT	Department of Roads and Transport
ESS	Employee Self Service
FIS	Fleet Information System
FML	Full Maintenance Lease
DIs	Historically Disadvantaged Individuals
HDI	Human Development Index
HoD	Head of Department
ICT	Information Communications Technology
KPI	Key Performance Indicators
LDSP	Learner Driver Support Programme
MEC	Member of the Executive Council
MTEF	Medium Term Expenditure Framework
OD	Organisational Development
OHS	Occupational Health and Safety
PFMA	Public Finance Management Act
PMDS	Performance Management and Development System.
PwD	People with Disabilities
SAP	System Applications and Products
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprise
SLA	Service Level Agreement
TR	Treasury Regulations
WSP	Workplace Skills Plan

2.3.3. OVERVIEW BY THE CHIEF EXECUTIVE OFFICER



Ms. Noxolo Maninjwa
Acting Chief Executive Officer

OVERVIEW OF FINANCIAL YEAR

TURNAROUND PLAN

For the past two consecutive years, g-FleeT has obtained negative audit outcomes with an adverse audit opinion and disclaimer in 2013/2014 and 2014/2015 respectively. The audit outcomes resulted from g-FleeT's inability to provide reliable financial records that support financial statements. This was mainly due to ineffective systems and a weak control environment, including deficiencies in revenue management.

In response to these audit outcomes, the Member of the Executive Council (MEC) took a decision to replace top management with temporary staff to support the Acting Chief Executive Officer (CEO) to develop and implement a turnaround strategy. The strategy is aimed at ensuring fair representation of financial statements, remediating the disclaimed audit opinion and assessing the going concern of the business as well as the long term sustainability of the entity. Some of the elements that will be addressed, include audit outcomes, the control environment and business model or sustainability of operations.

The turnaround plan is in the process of being implemented.

The 2015/2016 APP and 2014 - 2019 Strategic Plans were revised during the third quarter of the period under review. The revised 2015/2016 APP and 2014 - 2019 Strategic Plans were tabled at the Legislature on the 29th of February 2016.

FUTURE PLANS

PROCUREMENT OF NEW FLEET MANAGEMENT SYSTEM

g-FleeT has been managing its operations with a Fleet Information System (FIS). This system has run its course, and the entity is in the process of procuring a new Fleet Management System. The new system is required to interface with the financial system and reduce the risk of human error in the transfer of data.

The automated Fleet Management System is in the third stage (site visits) of bid evaluation before submission to the Bid Adjudication Committee.

CONSTRUCTION OF OFFICES AND TRAINING CENTRE

Construction of the new offices and training centre is set to commence. The project is aimed at improving working conditions for employees and uplifting their morale.

Changes to financial system

As of the 1st of April 2016, the entity has migrated to SAP.

- **TOP MANAGEMENT'S PERSPECTIVE OF THE ENTITY**

The management of g-FleeT acknowledges the shortcomings identified by various stakeholders and is committed to turning the entity around to ensure that it achieves its objectives.

- **ACHIEVEMENTS**

The entity ordered 1427 new vehicles from various manufacturers to keep the fleet age at an average of four years.

The entity continued to optimally rent out VIP and POOL fleet to various clients.

The entity managed to absorb 65 contract employees from levels 1-7. An analysis of the current profile of employees indicates that 72% (239) of g-FleeT employees are permanent, whilst 4% (11) are employed on a contract basis. The recruitment process is still in progress.

Revenue collection – Auctions (Additional Information)

NO.	AUCTION DATE	FLEET SOLD (#)	TOTAL PROCEEDS (R)
1	30 June and 1 July 2015	462	23 747 181.62
2	23 and 24 February 2016	350	20 507 294.88
3	8 March 2016	22	1 266 104.75
4	30 and 31 March 2016	518	30 035 773.89
5	Various – Judges vehicles		2 329 121.32
	TOTAL		77 885 476.46

Payment of service providers

Table 2.3.3.1 Analysis of Awards to Historically Disadvantaged Individuals (HDIs)

CONTRACTS AWARDED TO ENTERPRISES OWNED BY HDIs		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
69	62.18%	R 6 506 318.28

CONTRACTS AWARDED TO ENTERPRISES OWNED BY WOMEN		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
43	26.95%	R 2 819 664.13

Table 2.3.3.3 Analysis of Awards to Youth

CONTRACTS AWARDED TO ENTERPRISES OWNED BY YOUTH		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
21	17.00%	R 1 778 943.06

Table 2.3.3.4 Analysis of Awards to People with Disabilities (PWD)

CONTRACTS AWARDED TO ENTERPRISES OWNED BY PWD		
TOTAL NUMBER (#)	TOTAL PERCENTAGE (%)	TOTAL VALUE (R)
1	1.08%	R 112 520.12

• CHALLENGES FACED BY THE ENTITY

RT46 TRANSVERSAL CONTRACT

The entity continued to experience long turnaround times in the repair of vehicles sent to various merchants under the RT46 contract. The entity will continue to work with the National Department of Transport to monitor actions taken by the service provider to address the service delays.

RT57 CONTRACT

The entity continued to face challenges in placing orders for vehicles in the first quarter of the financial year due to delays in the awarding of the National Transversal RT57 contract.

VACANCY RATE

The entity managed to reduce the vacancy rate to 28%. This figure is still higher than the provincial target and had a negative effect on the entity's capacity to deliver effectively and efficiently.

ORGANISATIONAL STRUCTURE

There was still a delay in finalising the revised organisational structure due to changes in organisational leadership and strategic direction.

REVENUE COLLECTION

The entity experienced challenges with certain client departments who are not honouring their debt on time for various reasons. This had a negative effect on the entity's cash flow.

Measures were implemented to fast track the collection of debt, but this appeared to have had a negative impact on service delivery with certain client departments.

- **Overview of the financial results of the trading entity**

Statement of Financial Performance

Receipts

The entity's main source of income is derived from charging for the leasing of vehicles and interest received on credit bank balance. This is supplemented by the income received from the sale of redundant vehicles at auctions and income received from government employees who need to use our transport to travel between Pretoria and Johannesburg.

The results of the actual collections for 2015/2016 and the comparative year are depicted in Table 2.3.3.4 below.

Table 2.3.3.4: Revenue collected

Entity receipts	2015/2016			2014/2015		
	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
Revenue from exchange transactions – leasing of vehicles	776 856	819 042	541	911 828	633 101	278 727
Revenue from non-exchange transactions – interest from bank	17 703	17 907	1 566	12 000	5 929	(6 071)
Transport fees	1 794	1 728	1 672	-	569	(569)
Auctions fees	64 749	49 148	8 852	-	61 637	(61 637)
TOTAL	861 102	887 826	12 630	923 828	701 236	210 450

**There was no increase in tariffs. The increase in revenue collection was therefore due to client departments paying off their long outstanding debts.*

The total revenue for services rendered by the entity increased to R817.4 mil (2014/2015: R797.8 mil). Revenue from leasing of vehicles decreased by 6% to R682.6 mil (2014/2015: R723.7 mil). This decrease is as a result of the number of vehicles withdrawn from service.

Interest earned from a positive bank account increased by 44.7% to R17.9 mil (2014/2015: R9.6 mil). The increase is due to higher balances in funds held with financial institutions than what was held during 2014/2015. The higher balances were due to increased debt collections from clients. The total revenue for 2015/2016 increased and the total expenditure decreased in comparison to the previous financial year.

Revenue from auction of vehicles increased by 33.5% to R77.8 mil (2014/2015: R51.7 mil). This increase is due to the fact that more vehicles were auctioned compared to the previous year. The entity also had a number of online auctions which generated additional revenue.

Expenditure

The expenditure versus the budget is depicted in Table 2.3.3.5 below.

Table 2.3.3.5: Expenditure versus budget

Programme Name	2015/2016			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
Office of the CEO	2 901	2 334	567	3 916	1 959	1 958
Office of the COO	1 532	1 398	134	2 947	798	2 150
Office of the CFO	41 379	26 389	14 990	26 742	10 660	16 082
Corporate Services	51 442	30 213	21 229	49 985	53 529	(3 544)
Marketing and Communication	10 920	9 939	981	20 573	7 132	13 441
Maintenance Services	98 633	117 075	- 18 442	150 958	106 583	44 375
Transport Support Service	200 275	179 769	20 506	192 895	180 180	12 715
Permanent Fleet	303 896	317 568	-13 672	381 313	467 721	(86 408)
VIP & Pool	16 457	16 833	-376	11 805	4 893	6 912
TOTAL	727 435	701 517	25 918	841 134	833 453	7 681

Total expenditure decreased by 25.1% to R701.5 mil (2014/2015: R833.4 mil). This is due to lower expenditure incurred on operating expenditure, accidents and impairment losses, and operating leases. The expenditure for fuel and oil in the current year decreased by 6.9% to R147.1 mil (2014/2015: R156.0 mil).

Expenditure for toll fees increased by 21% to R10.8 mil (2014/2015: R8.5 mil). The expenditure for tyres and tubes increased sharply by 92% to R8.1 mil (2014/2015: R1 mil). Expenditure relating to accident claims decreased by 76.7% to R1.1 mil (2014/15: R1.9 mil). This relates to 38 accident claims received.

The employee costs decreased by 3.5% to R77.7 mil (2014/2015: R79.4 mil). This decrease is due to the entity not paying salaries relating to Learner Driver Support Programme (LDSP) employees (R8.7 mil) after being transferred to the Department of Roads and Transport (DRT). The expenditure would have increased by more than 7%, had the entity continued to pay these salaries in the current financial year. This figure would have been consistent with the salary increases of the previous year.

Depreciation decreased by 15% to R95.2 mil (2014/2015: R109.5 mil). The decrease is due to the increase in number of vehicles taken out of service for disposal.

The surplus for the year increased by 29.1% to R235.4 mil (2014/2015: R 166.9 mil). The increase is the result of increased revenue and a decrease in expenditure.

Statement of Financial Position

The entity has a strong asset base which is reflective of the operations. Significant asset classes include finance lease receivables, property, plant and equipment and cash funds. The liabilities are limited to finance lease obligations and payables which arise from the entity's operations.

The carrying value of non-current assets increased by 10.8% to R1 209.5 bil (2014/2015: R1 078.5 bil). The entity acquired motor vehicles to the value of R313.0 mil. There were also improvements to the value of R5.3 mil relating to work-in-progress. An additional increase of R0.56 mil relates to other assets such as furniture, fittings, leased machinery and cell phones.

The receivables from exchange transactions decreased by 26.1% to R218.6 mil (2014/2015: R 275.8 mil). The debtor days (the ratio indicating debt levels to revenue generated from such debtors) decreased by 33% to 150 days on 31 March 2016 (31 March 2015: 224 days).

The entity was able to convert its debt receivable into cash and this is reflected in the increase of cash funds to R514.3 mil (2014/2015: R303.1 mil). This factor, combined with effective and efficient expenditure management, is the main contributor to the increase in cash funds.

The accumulated surplus increased from R1.636 billion on 31 March 2015 to R1.871 billion on 31 March 2016.

Cash Flow Statement

The cash generated from operating activities increased to R518.5 mil (2014/2015: R 261.2 mil). This is due an increase of R8.3 mil in interest earned on cash funds and a 15.5% increase in cash receipts from customers. The cash paid to suppliers and employees decreased by 23%.

The cash spent on investments equates to R70.4 mil more than in 2014/2015. The acquisition of property, plant and equipment increased to R313.1 mil (31 March 2015: R243 mil). The number of allocated vehicles is demand driven and fluctuates depending on clients' expansion plans and programmes.

Tariffs

The entity provides capital to purchase the required vehicles except for judges' vehicles whereby the Department of Justice and Constitutional Development provided capital for the first vehicle. However, since December 2015 this scheme has been discontinued and the entity now also has to provide capital for these vehicles. Vehicles are purchased under the RT57 contract that is administered by National Treasury and captured onto the FIS after delivery.

For vehicles purchased through the Fleet Maintenance Lease (FML) model, a monthly lease tariff is charged. For vehicles purchased through the old operating model, a fixed tariff is charged that is selected from a table on the FIS. A daily tariff is charged for VIP and POOL vehicles. The direct costs for fuel, oil and toll fees are added to the billing.

Free services

No free services were rendered that would have yielded significant revenue had a tariff been charged.

Sales of capital assets

The vehicles that reached the end of their respective life cycles were sold at public auctions.

- **Unauthorised, fruitless and wasteful expenditure**

Five cases of irregular expenditure were reported during the current financial year, three of which originates from the previous financial years and two in the current financial period. The expenditure relates to the expiry of contracts for the leasing of property for the four regional offices (Cape Town, Durban, East London and Bloemfontein), leasing of office equipment (printers), the services of cell phone provider MTN, vehicle tracker payments and deviations not approved.

Several transactions of fruitless and wasteful expenditure were reported during the current year. All these are related to unpaid traffic fines whereby related institutions implemented an administrative restriction on eNaTIS that blocks the entity from registering and renewing vehicles.

- **Supply chain management**

The entity deals with orders below R500,000 thresholds while tenders are awarded by the Bid Adjudication Committee (BAC) that also includes a representative of the entity. In the financial period under review, there was a tender awarded to Ernst Young to render professional financial and operational services to the entity for an amount of R4 592 832.00.

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

The entity received gifts such as calendars, notebooks, pens, mugs, etc. All these gifts are signed for and fully declared in the g-FleeT register for gifts and donations. The entity also received test drives from different vehicle manufacturers.

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

The Trading Entity received no exemption in terms of the Public Finance Management Act (PFMA) or Treasury Regulations and there was no deviation from the financial reporting requirements for the current and/or previous financial year.

- **Events after the reporting date**

Non-adjusting events

The third party claims received after the 31st of March 2016 amounts to R164 023.28.

The entity will also look at any irregular expenditure condoned after submission of the annual financial statements.

- **ACKNOWLEDGEMENTS /APPRECIATION**

I wish to thank the MEC and the Head of Department (HoD) who have vested a great deal in assisting g-FleeT during these challenging times. I would also like to thank g-FleeT management and staff for their committed dedication and hard work in striving to achieve the mandate of the entity.

- **CONCLUSION**

I am looking forward to drafting strategies that will take the entity forward and am committed to providing appropriate leadership to ensure that these strategies are implemented.



Acting Chief Executive Officer

Ms. N. Maninjwa

Date: 31/05/2016

2.3.4 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 free from any omissions.

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

The annual financial statements (Part E) were prepared in accordance with the standard of generally recognised accounting practices and the relevant frameworks and guidelines issued by the National Treasury.

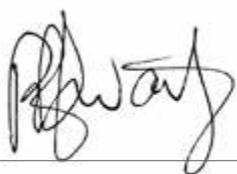
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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 that ended 31 March 2016.

Yours faithfully



Accounting Officer

Mr. R. Swartz

Date: 31/05/2016

2.3.5 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

The core values applicable to the provincial government were revised and are as follows:

“...Competence, accountability, integrity and responsiveness...”

These values are all underpinned by the concept of teamwork and apply to the entity as well as all its officials. A detailed description of what each core value encapsulates is outlined below.

CORE VALUES	DETAILED DESCRIPTION
COMPETENCE	<p><i>We commit to be competent and excellent at all times.</i></p> <p><i>We undertake to deliver services with passion, excitement and enthusiasm.</i></p> <ul style="list-style-type: none">- 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.
ACCOUNTABILITY	<p><i>We pledge to be answerable to our stakeholders in the execution of our mandate and service delivery activities.</i></p> <p><i>We commit to deliver a service that meets our stakeholders' expectations.</i></p> <ul style="list-style-type: none">- 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 be trusted to do as 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	<p><i>We commit to be ethical, professional, principled, fair and just in our conduct.</i></p> <p><i>We pledge to uphold sound principles of institutional management and efficient systems and processes in service delivery.</i></p> <ul style="list-style-type: none"> - We seek for truth and greater understanding of it in each situation and we do the right thing. - 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.
RESPONSIVENESS	<p><i>We shall be approachable, receptive and quick to respond to stakeholder needs.</i></p> <ul style="list-style-type: none"> - 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 the right response, where could we potentially be wrong" and "how can we do it better?" - We engage collaboratively with each other, our stakeholders and the media, providing full information. - Our focus is on 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.

2.3.6 LEGISLATIVE AND OTHER MANDATES

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.

Regulation 19 issued in terms of the PFMA governs the operations of the organisation in terms of its policy and reporting framework, establishment, capital requirements, disposal of assets, surrender of surplus funds and financial reporting. In addition, the following legislative mandates are applicable:

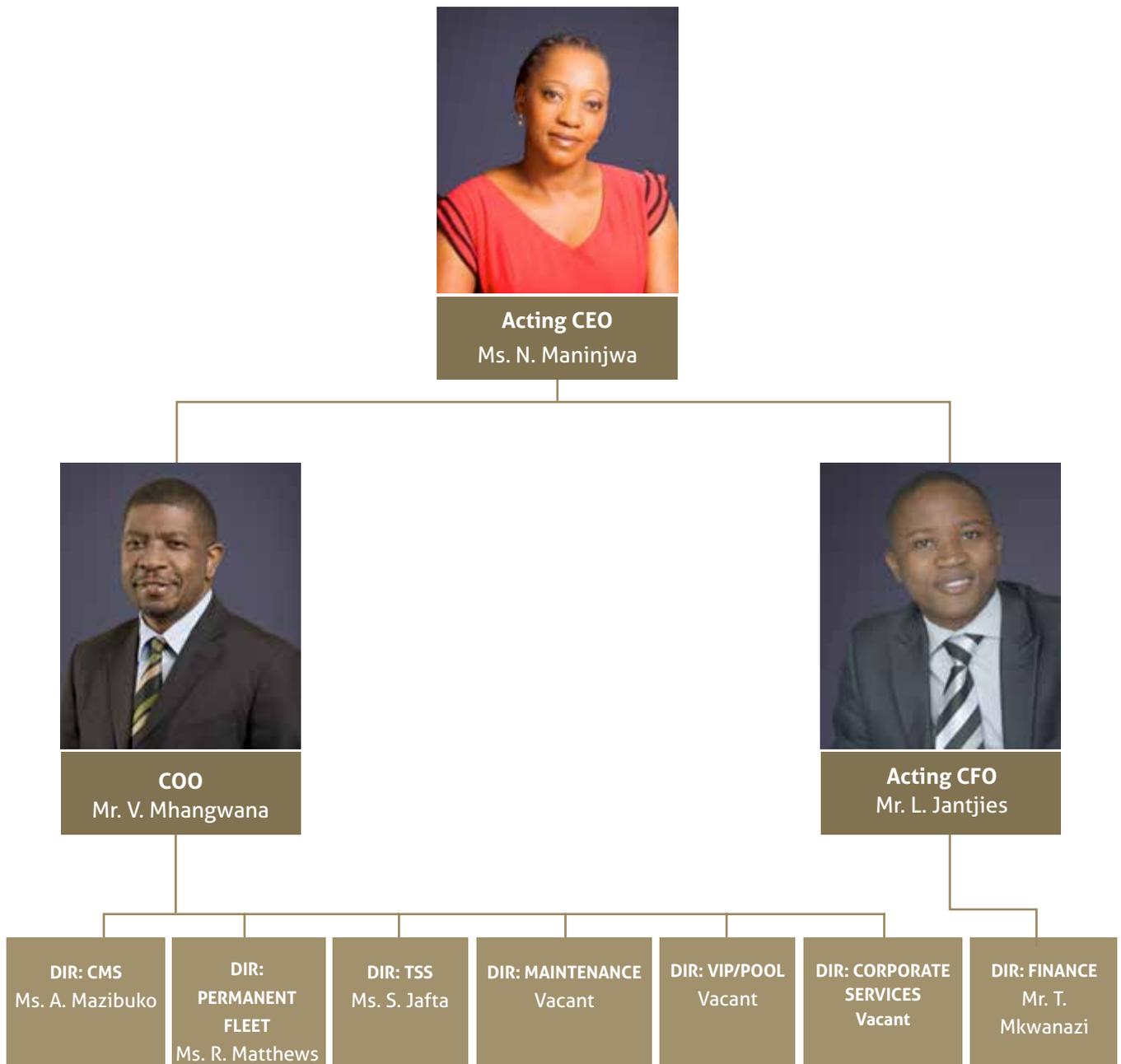
- Cross-Border Road Transport Act, Act 4 of 1998;
- Road Traffic Act, Act 29 of 1989;
- Public Finance Management Act, Act 1 of 1999;
- National Environmental Management Act;
- Road Traffic Management Corporation Act, Act 20 of 1999;
- National Road Traffic Act, Act 93 of 1996;
- National Road Traffic Safety Act, Act 12 of 1972;
- Gauteng Transport Framework Revision Act, Act 8 of 2002;
- Gauteng Public Passenger Road Transport Act, Act 7 of 2001;
- Gauteng Transport Infrastructure Act, Act 8 of 2001;
- Gauteng Planning and Development Act, Act 3 of 2003;
- Provincial Road Traffic Act, Act 10 of 1997;
- Gauteng Toll-Roads Bill 2005;
- Road Traffic Act, Act 29 of 1989;
- Administrative Adjudication of Road Traffic Offences Act, Act 46 of 1998; and
- Gauteng Transport Framework Revision Amendment Act, 2007.

Policy and Other 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; and

2.3.7 Organisational Structure





2.4. PART B: PERFORMANCE INFORMATION

2.4.1. 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 303 of the Report of the Auditor General, published as Part E: Financial Information.

2.4.2. OVERVIEW OF ENTITY PERFORMANCE

Service Delivery Environment for 2015/2016

This section deals with external factors that had an impact on the ability of the entity to deliver on its commitments during the financial year under review.

RT46 Fuel and maintenance services contract

During the year under review, the provision of maintenance and fuel management services under the transversal RT46-2014 contract to government, showed improvement but still continued to experience challenges. There were still some delays in the provision of authorisations to merchants to proceed with repairs and maintenance services. The National Department of Transport appointed a project manager to monitor actions taken by the service provider to address the service delays.

The Under-serviced debt owed to the entity by its client departments

A number of client departments still owed g-FleeT money for services rendered. In order to improve on collections, agreements were reached with the departments to reduce the debt. The entity enlisted the help of Provincial Treasury to prioritise payments, as a last resort, should the agreements fail to be honoured.

Organisational Environment for 2015/2016

This section deals with internal factors that had an impact on the ability of the entity to deliver on its commitments during the financial year.

Service delivery for the current financial year under review focused on four areas that were designed to achieve the following:

- Improvement of audit outcome;
- Protection of movable assets through tracking;
- New performance targets for fleet; and
- Key policy development and policy changes.

Improvement of Audit Outcome: The entity is working towards turning around the negative audit outcomes of the 2013/2014 and 2014/15 financial years. The turnaround plan was developed during the third quarter of the financial year under review and is in the process of being implemented.

In order to correct performance target shortcomings that were identified in the AGSA's findings, revisions were made to the Strategic Plan and Annual Performance Plan (APP) and tabled at the legislature.

Protection of Movable Assets through Vehicle Tracking: The tracking units peaked at 6,094 in accordance with the contract. At the time of the tender, vehicles that were too old were deemed not legible for tracking and were therefore not provided for. Their new replacements are however, legible and have grown the population of vehicles legible for tracking, beyond the 6,094 contract ceiling. Towards the end of the financial year, the number of units retrieved from vehicles due for auctions, was below that of new vehicles. The shortfall resulted in delays in the processing of new vehicles. This was the last full year for the current contract. The new contract will be phased out in the next financial year.

New Performance Targets for Fleet: Up to the end of the third quarter, the entity has achieved its performance targets for vehicle acquisition and the vehicle rent out targets. The fourth quarter sees the introduction of new targets, in the form of fleet average age as a target for all fleet and fleet utilisation for the rental fleet.

Key policy developments and legislative changes

During the financial year, the entity absorbed 65 contract workers as per changes in the Labour Relations Act.

2.4.3. STRATEGIC OUTCOME ORIENTED GOALS

The following tables represent the strategic objectives of the 2015/2016 APP. These objectives were reported until the third quarter of the financial year. They were revised and changed during the third quarter of the 2015/2016 financial year.

Strategic Goal 1 (Summary)	To provide improved, efficient, reliable, safe, accessible and cost effective and market responsive fleet services suited to clients' needs.
Goal Statement	To cost effectively replace ageing fleet with safe, reliable and eco-friendly vehicles within the economic life cycle.

Strategic Goal 2 (Summary)	Improved utilisation and revenue generation of VIP and POOL fleet.
Goal Statement	To optimally rent out VIP and POOL fleet to clients.

Strategic Goal 3 (Summary)	To demonstrate good stewardship and effective utilisation of the financial resources entrusted to the entity. To promote economic transformation through increased opportunities for BBBEE and SMME development within the economy.
Goal Statement	To provide the entity with the overall financial management support services required in order to ensure that the entity delivers on its mandate in an integrated, effective and sustainable manner.

The following Strategic Priorities/Goals represent the revised 2014 - 2019 Strategic Plan and 2015/2016 APP, to facilitate the Turnaround Strategy and achievement of g-Fleet's Medium Term Expenditure Framework (MTEF) goals:

Strategic Goal 1 (Summary)	Provide fleet management services that are effective, efficient and client-focused.
Goal Statement	Provide reliable fleet and quality services to meet our clients' needs in an effective and efficient manner.
Justification	This goal will ensure that services offered to clients meet expectations and that public funds are utilised to provide services to support the mandates of client departments.

Strategic Goal 2 (Summary)	Sustainable and well governed organisation
Goal Statement	Ensure a well-run organisation by designing and maintaining effective systems and processes that will result in optimal use of the entity's resources.
Justification	This goal will ensure that financial processes, systems and controls will be implemented and monitored by staff with the requisite expertise.

2.4.4. PERFORMANCE INFORMATION BY PROGRAMME ORIGINAL ANNUAL PERFORMANCE PLAN

The information below indicates the performance for the first three quarters of the 2015/2016 APP.

PROGRAMME 1: OPERATIONAL MANAGEMENT SERVICES

This programme is responsible for providing efficient, reliable, safe, accessible and cost effective and market responsive fleet services to suit clients' needs.

The following is the sub-programme structure:

- Permanent Fleet
- VIP and POOL Fleet Services

Strategic Objective 1.1: To renew the fleet in order to keep the fleet average age at three years.

Programme Name: Permanent Fleet Services					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations (reason)
To renew the fleet in order to keep the fleet average age at 3 years	805 replacement vehicles ordered	1500 vehicles to be ordered (1050 for three quarters of the financial year)	1061 (as at Dec 2015)	+11 (as at Dec 2015)	The entity exceeded its target due to a healthy demand for vehicles from clients.

Performance indicators

Programme / Sub-programme: Permanent Fleet					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations (reason)
The number of vehicles ordered by 31 March 2016	805 replacement vehicles ordered	1500 vehicles to be ordered (1050 for three quarters of the financial year)	1061 (as at Dec 2015)	+11 (as at Dec 2015)	The entity exceeded its target due to a healthy demand for vehicles from clients.

Strategic Objective 1.2:

To provide an improved, efficient, reliable, safe, accessible, cost effective and market responsive fleet service suited to client needs.

Programme Name: VIP and POOL					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations (reason)
To provide an improved, efficient, reliable, safe, accessible, cost effective and market responsive fleet services suited to client needs	97.8% of active VIP vehicles rented to clients	97% of active VIP vehicles rented to clients	97% of active VIP vehicles rented (up to Dec 2015)	-	-
	99% of active POOL vehicles rented to clients	96% of active POOL vehicles rented to clients	98% of active POOL vehicles rented to clients (up to Dec 2015)	+2%	Due to slightly elevated rental demand from clients

Performance indicators

Programme / Sub-programme: VIP / POOL Fleet					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations (reason)
Total % of active VIP fleet rented out to clients	97.8% of active VIP vehicles rented to clients	97% of active VIP vehicles rented to clients	97% of active VIP vehicles rented to clients (up to Dec 2015)	-	-
Total % of active POOL fleet rented out to clients	99% of active POOL vehicles rented to clients	96% of active POOL vehicles rented to clients	98% of active POOL vehicles rented to clients (up to Dec 2015)	+2%	Due to slightly elevated rental demand from clients

Strategy to overcome areas of under performance

Not applicable.

Changes to planned targets and objectives

The 2015/2016 APP and 2014 - 2019 Strategic Plans were revised during the third quarter of the period under review. The revised 2015/2016 APP and 2014 - 2019 Strategic Plans were tabled at the Legislature on the 29th of February 2016.

Programme 2: FINANCIAL MANAGEMENT SERVICES AND CORPORATE SERVICES

This programme is responsible for demonstrating good stewardship and effective utilisation of the financial resources entrusted to the entity. It also aims to promote economic transformation through increased opportunities for BBBEE and SMME development within the economy.

The following are the sub-programme structures:

- Finance
- Supply Chain Management (SCM)

Strategic objective:

To ensure sound financial management and corporate governance.

Programme Name: Finance					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations (reason)
To monitor and effectively manage the cash flow including all liabilities of the entity	2474 payments made within 30 days (2596) – 13/14 audited 2187 payments made within 30 days (2265)	30 payments of invoice from the date of receipt	951 payments made within 30 days (up to Dec 2015) (Total invoices up to Dec 2015 – 1128)	177 payments (up to Dec 2015)	Server downtime.
To empower BBBEE service providers and achieve the BBBEE expenditure targets	% of BBBEE expenditure awarded to: HDI 24% (13/14 audited) HDI – 57% (R8 435 689.28) Women 14% (13/14 audited) Women – 20% (R2 976 245.42) Youth 11% (13/14 audited) Youth – 17% (R2 462 634.61) PWD 4% (13/14 audited) PWD – 3% (R366 871.40)	% of BBBEE expenditure awarded to: HDI - 80% Women – 30% Youth – 10% PWD – 2%	Total Expenditure R6,277,394.33 (up to Dec 2015) HDI – 59.76% R3,751,339.46 Women – 28.12% R1,771,072.65 Youth – 19.14% R1,201,336.34 PWD – 1.25% R78,467.43	20% 2% 9% 1%	Limited HDI owned companies for specialised services. Limited companies owned by PWD for specialised services.

Performance indicators

Programme / Sub-programme: Finance					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations (reason)
No. of supplier invoice payment days by 31 March 2016	2474 payments made within 30 days (2596) – 13/14 audited 2187 payments made within 30 days (2265)	30 payments of invoice from the date of receipt	951 payments made within 30 days (up to Dec 2015) (Total invoices up to Dec 2015 – 1128)	177 payments (up to Dec 2015)	Server downtime.

Programme / Sub-programme: Finance					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations (reason)
% of BBBEE expenditure awarded to:	% of BBBEE expenditure awarded to:	% of BBBEE expenditure awarded to:	Total Expenditure R6 277 394.33 (up to Dec 2015)		
HDI	HDI 24% (13/14 audited) HDI – 57% (R8 435 689.28)	HDI - 80%	HDI – 59.76% R3 751 339.46	20%	Limited HDI owned companies for specialised services.
Women Owned Companies	Women 14% (13/14 audited) Women – 20% (R2 976 245.42)	Women – 30%	Women – 28.12% R1 771 072.65	2%	Limited companies owned by PWD for specialised services.
Youth Owned Companies	Youth 11% (13/14 audited) Youth – 17% (R2 462 634.61)	Youth – 10%	Youth – 19.14% R1 201 336.34	9%	
PWD	PWD 4% (13/14 audited) PWD – 3% (R366 871.40)	PWD – 2%	PWD – 1.25% R78 467.43	1%	

Strategy to overcome areas of under performance

The server was repaired. In the new financial year the entity will be migrating to the SAP system. The entity will encourage companies owned by HDI, Women and PWD to participate in its procurement processes.

Changes to planned targets

The 2015/2016 APP and 2014 - 2019 Strategic Plans were revised during the third quarter of the period under review. The revised 2015/2016 APP and 2014 - 2019 Strategic Plans were tabled at the Legislature on the 29th of February 2016.

2.4.5. PERFORMANCE INFORMATION BY PROGRAMME REVISED ANNUAL PERFORMANCE PLAN

The following information relates to the revised 2014-2019 Strategic Plan and 2015/2016 Annual Performance Plan. The targets have been revised as of 4th quarter of the 2015/2016 financial year.

The 2015/2016 APP and 2014 - 2019 Strategic Plans were revised during the third quarter of the period under review. The revised 2015/2016 APP and 2014 - 2019 Strategic Plans were tabled at the Legislature on the 29th of February 2016.

Programme 1: Operational Management Services

This programme is responsible for providing fleet management services that are effective, efficient and client-focused.

The following is the sub-programme structure:

- Permanent Fleet
- Fleet Maintenance
- Transport Support Services

Strategic objective 1:

Programme Name:					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016 (4 th Quarter)	Actual Achievement 2015/2016 (4 th Quarter)	Deviation from planned target to Actual Achievement for 2015/2016 (4 th Quarter)	Comment on deviations (reason)
Provide clients with reliable fleet	New KPI	4 years	4 years	-	-
	New KPI	60%	83.26%	+23.26%	Improved communication between g-Fleet and client departments

Performance indicators

Programme / Sub-programme: Permanent Fleet					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016 (4 th Quarter)	Actual Achievement 2015/2016 (4 th Quarter)	Deviation from planned target to Actual Achievement for 2015/2016 (4 th Quarter)	Comment on deviations (reason)
Average age of allocated fleet	New KPI	4 years	4 years	-	-
Programme / Sub-programme: Fleet Maintenance					
Percentage of vehicles compliant to scheduled maintenance	New KPI	60%	83.26%	+23.26%	Improved communication between g-Fleet and client departments

Programme Expenditure (Revised)

Sub- Programme Name	2015/2016			2014/2015		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Permanent Fleet	303 896	191 798	112 098	381 313	467 721	-86 408
Fleet Maintenance	98 634	116 977	-18 343	150 958	106 583	44 375
TOTAL	402 530	308 775	-93 755	532 271	574 304	-42 033

Strategy to overcome areas of under performance

Not applicable.

Strategic objective 2:

Programme Name: Operational Management Services					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016 (4 th Quarter)	Actual Achievement 2015/2016 (4 th Quarter)	Deviation from planned target to Actual Achievement for 2015/2016 (4 th Quarter)	Comment on deviations (reason)
To provide quality and value-added client services	80%	80% 5778 tracked 7200 in-service	80% (5752)	-	-
	New KPI	30 days	20 days	+10 days	Continuous engagement between stakeholders and the entity.

Key Performance indicators

Sub-programme: Transport Support Services					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016 (4 th Quarter)	Actual Achievement 2015/2016 (4 th Quarter)	Deviation from planned target to Actual Achievement for 2015/2016 (4 th Quarter)	Comment on deviations (reason)
Percentage of in-service vehicles tracked	80%	80% 5778 tracked 7200 in-service	80% (5752)	-	-
Sub-programme: Fleet Maintenance					
Average turnaround time for accidents and mechanical repairs	New KPI	30 days	20 days	+10 days	Continuous engagement between stakeholders and the entity.

Strategy to overcome areas of under performance

The entity commenced with the procurement of the new vehicle tracking system.

With regards to the improved turnaround time for accidents and mechanical repairs, the entity will continue to work with the National Department of Transport to monitor actions taken by the service provider to address the service delays.

Programme expenditure (Revised)

Sub-Programme Name	2015/2016			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
Transport Support Services	200 276	179 294	20 982	192 895	180 180	12 715
Fleet Maintenance	98 634	116 977	-18 020	150 958	106 583	44 375
TOTAL	298 910	296 271	2 962	343 853	286 763	57 090

Programme 2: Corporate and Financial Management

This programme is responsible for ensuring a well-run organisation by designing and maintaining effective systems and processes that will result in optimal use of the entity's assets in delivery of services.

The following are the sub-programme structures:

- Permanent Fleet
- VIP and POOL Services
- Finance
- HR
- ICT

Strategic objective 3:

Programme Name: Operations and Finance					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016 (4 th Quarter)	Actual Achievement 2015/2016 (4 th Quarter)	Deviation from planned target to Actual Achievement for 2015/2016 (4 th Quarter)	Comment on deviations (reason)
Optimise return on investment	New KPI	30 Days	29 days	+1 day	Continuous engagement with relevant stakeholders to improve service levels.
	New KPI	Average rental utilisation of 65%	71.94%	+6.94%	Due to slightly elevated rental demand from clients
	New KPI	15%	33%	+18%	Two departments settled their outstanding debt of more than R100 million in total.

Key Performance indicators

Sub-programme: Permanent Fleet					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016 (4 th Quarter)	Actual Achievement 2015/2016 (4 th Quarter)	Deviation from planned target to Actual Achievement for 2015/2016 (4 th Quarter)	Comment on deviations (reason)
Average number of business days from delivery of vehicle to active vehicle contract (permanent vehicles only)	New KPI	30 days	29 days	+1 day	Continuous engagement with relevant stakeholders to improve service levels.
Sub-programme: VIP and POOL Services					
Average rental utilisation of available VIP self-drive and POOL fleet	New KPI	Average rental utilisation of 65%	71.94%	+6.94%	Due to slightly elevated rental demand from clients
Sub-programme: Finance					
Percentage decrease in average debtor days	New KPI	15%	33%	+18%	Two departments settled their outstanding debt of more than R100 million in total.

Strategy to overcome areas of under performance

Not applicable.

Sub-Programme Name	2015/2016			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
VIP and POOL Services	16 455	14 529	1 926	11 805	4 893	6 912
Finance	41 379	26 206	15 173	26 742	10 660	16 082
Corporate Services	51 442	31 963	19 479	49 985	53 529	-3 544
TOTAL	109 276	72 698	36 578	88 532	69 082	19 450

Strategic objective 4:

Programme Name: Operations and Finance					
Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016 (4 th Quarter)	Actual Achievement 2015/2016 (4 th Quarter)	Deviation from planned target to Actual Achievement for 2015/2016 (4 th Quarter)	Comment on deviations (reason)
Engender organisational and culture change	97%	100%	90%	10%	A number of invoices were misplaced at finance during the December holidays and were discovered when the official was back from leave
	Disclaimer	Unqualified opinion	Unqualified opinion	-	-
	New KPI	50%	-	50%	The entity will utilise the services of external consultants to do the survey in the 2016/2017 financial year.
	New KPI	95%	90%	-5%	Delays by officials to submit the Performance Management and Development System. (PMDS) to HR.
	New KPI	Submit organisational structure to DPSA for approval	Draft structure for consultation developed and submitted on 12/02/2016.	-	Lengthy consultation process with relevant stakeholders.
	New KPI	ICT strategy approved by HoD	Revised draft strategy (50%)	50%	ICT Strategy had to be amended to ensure alignment to the revised Strategic Plan and APP.
	New KPI	2%	3%	+1%	More vehicle maintenance work was allocated to township based companies.
	New KPI	Implementation of Apprenticeship Programme	-	-	This KPI was not supposed to be reported in the 2015/2016 APP. It will be reported on in the 2016/2017 financial year.

Key Performance indicators

Sub-programme: Finance					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016 (4 th Quarter)	Actual Achievement 2015/2016 (4 th Quarter)	Deviation from planned target to Actual Achievement for 2015/2016 (4 th Quarter)	Comment on deviations (reason)
Percentage of invoices paid within 30 days from receipt of invoice	97%	100%	90%	10%	A number of invoices were misplaced at finance during the December holidays and were discovered when the official was back from leave
Audit outcome (Auditor-General)	Disclaimer	Unqualified opinion	Unqualified opinion	-	-

Sub-programme: Human Resource Management					
Employee satisfaction rate / percentage	New KPI	50%	-	50%	The entity will utilise the services of external consultants to do the survey in the 2016/2017 financial year.
Percentage of employee PMDS assessments completed	New KPI	95%	90%	-5%	Delays by officials to submit PMDS to HR.
Review, approval and implementation of organisational structure	New KPI	Submit organisational structure to DPSA for approval	Draft structure for consultation developed and submitted on 12/09/2016	-	Lengthy consultation process with relevant stakeholders.
Sub-programme: ICT					
Approved ICT strategy/plan	New KPI	ICT strategy approved by HoD	Revised draft strategy (50%)	50%	ICT Strategy had to be amended to ensure alignment to the revised Strategic Plan and APP.
Sub-programme: Fleet Maintenance					
Percentage of maintenance spent on (automotive) township businesses	New KPI	2%	3%	+1%	More vehicle maintenance work was allocated to township based companies.
Implementation of Apprenticeship Programme	New KPI	An approved apprenticeship plan.	-	-	This KPI was not supposed to be reported in the 2015/2016 APP. It will be reported on in the 2016/2017 financial year.

Strategy to overcome areas of under performance

With regards to the employee satisfaction survey, the entity will commence with the procurement processes to ensure that the survey is concluded by end of the 2016/2017 financial year.

With regards to the submission of PMDS, the entity will provide refresher training to employees and encourage them to submit timeously.

The entity will strive to ensure that the organisational structure is approved by the end of the 2016/2017 financial year.

The entity will fast track the approval process for the ICT strategy.

With regard to the apprenticeship programme there was no target set for the 2015/2016 financial year. This KPI will be reported on in the 2016/2017 financial year.

Programme expenditure (Revised)

Sub-Programme Name	2015/2016			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
Corporate Services	51 442	31 963	19 479	49 985	53 529	3 544
TOTAL	51 442	31 963	19 479	49 985	53 529	3 544

2.4.6. Capital investment

Capital investment, maintenance and asset management plan

Infrastructure projects	2014/2015			2015/2016		
	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	390 726	297 271	93 454	299 926	312 191	-12 265
Existing infrastructure assets	-	-	-	-	-	-
Upgrades and additions	2 728	13 538	*-10 810	8 302	5 303	2 999
Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfers	-	-	-	-	-	-
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
TOTAL	393 454	310 809	82 645	308 228	317 494	-9 266

*The comparative figure for the previous financial year (2014/15) was adjusted on the annual report as the variance of R10 810 under "upgrades and additions" was supposed to have been a negative resulting in the total variance being R82 645 instead of R104 264.



2.5. PART C: GOVERNANCE

2.5.1. Introduction

The trading entity's commitment to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the trading entity has good governance structures in place to effectively, efficiently and economically utilise state resources, which is funded by the tax payer.

2.5.2. Risk Management, Fraud and corruption

Risk Management at the Department assume responsibility for enterprise wide risk management through coordination of the identification, analysis, mitigation and monitoring of all risks facing the trading entity and ensures compliance to the PFMA and other related legislature.

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 entity has an approved Fraud Prevention Plan that is aligned with PFMA and Treasury Regulations.

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 prioritised the top six high risks which had a residual rating of high to medium and are to be closely monitored.

Of the top six high inherent risks, four showed a high residual rating i.e. there were no sufficient controls to manage the risks. Mitigating factors to manage the risks were provided for improvement of the control environment. The trading entity will monitor the movement of the rating through follow ups and will report progress to the Audit Committee on a quarterly basis.

Of the abovementioned six risks, two risks are still applicable. While the entity has implemented some of the action plans to address the risks identified, some of the risks still need to be addressed.

2.5.3. Minimising conflict of interest

Through internal control monitored by the office of the MEC, the entity ensures that all its SMS members declare their interests 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 of their normal remuneration work. For SCM purposes, directors of all companies who submit quotations to provide goods or services to the entity are required to complete SBD 4 declaration forms.

2.5.4. Code of Conduct

The entity has a code of ethics that apply to each and every employee in the entity, including management. The code has been presented in several staff meetings to ensure that everyone is aware of its implications.

2.5.5. Health, Safety and Environmental Issues

Establishment of Occupational Health and Safety (OHS) Committee

The entity is in the process of establishing a functional OHS Committee.

2.5.6. Portfolio Committees

Reporting by	Reporting to	Method	Matters reported	Timing of the report	Action taken on matters report
Internal audit	Audit Committee	Formal report, reporting in meetings	Any relevant matter	Varies	Varies
Audit Committee	Accounting authority/officer	Minutes of Audit Committee meetings	Any relevant matter	Varies	Varies
Accounting authority/officer	MEC	Formal report, reporting in meetings	Any relevant matter	Varies	Varies
g-FleeT Management: CEO	R&T Portfolio Committee	Presentation	3 rd Quarter (2015/2016) (11/02/2016)	October – December 2015	A report is sent and presented to the R&T Portfolio Committee
g-FleeT Management: CEO	R&T Portfolio Committee	Presentation	4 th Quarter (2014/2015)	January – March 2015	A report is sent to the R&T Portfolio Committee
g-FleeT Management: CEO	R&T Portfolio Committee	Presentation	2015/2016 FY annual budget	2015/2016 FY	A report is sent and presented to the R&T Portfolio Committee
g-FleeT Management: CEO	R&T Portfolio Committee	Presentation	2015/2016 FY 1 st Quarter Performance	April – June 2015	A report is sent and presented to the R&T Portfolio Committee
g-FleeT Management: CEO	R&T Portfolio Committee	Presentation	2014/2015 FY annual report	2015/2016 FY	A report is sent and presented to the R&T Portfolio Committee
g-FleeT Management: CEO	R&T Portfolio Committee	Presentation	2014/2015 FY 2 nd Quarter Performance There was no presentation made to PC for said period	July – September 2015	A report is sent to the R&T Portfolio Committee
g-FleeT Management: CEO & CFO	Audit Committee	Presentation	1 st Quarter Performance (2015/2016 FY)	April – June 2015	A report is sent and presented to the Audit Committee
g-FleeT Management: CEO & CFO	Audit Committee	Presentation	2 nd Quarter Performance (2015/2016 FY)	July – September 2015	A report is sent and presented to the Audit Committee
g-FleeT Management : CEO & CFO	Audit Committee	Presentation	3 rd Quarter Performance (2015/2016)	October – December 2015	A report is sent and presented to the R&T Portfolio Committee

2.5.7 SCOPA Resolutions

Resolution No.	Subject	Response by the entity	Resolved (Yes/No)
5.1.2	That the MEC intensifies performance consequence management processes to eliminate findings on revenue from leases and provide the Committee with a progress report detailing the effectiveness of measures put in place to address challenges relating to revenue from leases, trade and other receivables from exchange transactions, property, plant and equipment and cash flow statement within 30 days of adoption hereof and thereafter every quarter continuing up until the end of June 2016.	<p>As part of the turnaround plan, the entity is reviewing business processes and controls. Revision of controls is set for completion by April 2016. In the interim, the entity has implemented controls to ensure that errors identified in the annual financial statements are addressed. Interim controls implemented include review of billing, vehicle and contract information, classification of leases according to finance and operating leases and review of information captured on the FIS before the vehicles are despatched to client departments. These controls will identify errors before it is posted in the financial statements.</p> <p>The entity has submitted the third quarter financial statements to Treasury via the Caseware system. The Office of the AGSA has already started auditing the opening balances. The AGSA's report on the review of the opening balances will be produced before the end of March 2016.</p>	Ongoing
5.2.1.2	That the entity intensifies performance and consequence management processes to mitigate instances of findings on lawsuits and claims against the entity and provide the committee with a progress report detailing effectiveness of measures put in place to address challenges related to lawsuits within 30 days after adoption hereof and thereafter every quarter continuing up until the end of June 2016.	<p>As contracts that are signed with g-FleeT result in litigation, management is currently in the process of strengthening all the contracts that are signed with service providers. Guidance is provided to various contract management teams to make them aware of the fact that all terms and conditions must be complied with upon signing of the agreement, including but not limited to the timeframes that are set in the contracts and that all the relevant policies must be adhered to.</p> <p>In cases where there is a clear breach of contract by g-FleeT Management, the entity engages with the service provider to try and settle the matter before it is taken to court.</p>	Ongoing

Resolution No.	Subject	Response by the entity	Resolved (Yes/No)
5.2.2.1	That the department provides the committee with a progress report detailing the effectiveness of measures put in place to address the recurrence of restatement of corresponding figures within 30 days after adoption hereof and thereafter every quarter continuing up until the end of June 2016.	<p>As part of the turnaround plan, the entity is reviewing business processes and controls. Revision of controls is set for completion by April 2016. In the interim, the entity has implemented controls to ensure that errors identified in the annual financial statements are addressed. Interim controls implemented include review of billing, vehicle and contract information, classification of leases according to finance and operating leases and review of information captured on the FIS before the vehicles are despatched to client departments. These controls will identify errors before it is posted in the financial statements</p> <p>The entity has submitted the third quarter financial statements to Treasury via the Caseware system. The Office of the AGSA has already started auditing the opening balances. The AGSA's report on the review of the opening balances will be produced before the end of March 2016.</p>	Ongoing
5.3.1.2	That the entity provides the committee with a progress report detailing the effectiveness of measures put in place to address weaknesses in predetermined objectives, the finding is still recurring	<p>The measures put in place to address the weaknesses in the formulation of the pre-determined objectives comprise the following:</p> <p>a. The involvement of all management in the formulation of objectives and key performance indicators.</p> <p>b. Review by the management of the DRT monitoring and evaluation unit, providing feedback and recommendations for improvements in the crafting of g-FleeT's performance targets and performance indicators.</p> <p>c. The involvement of the internal audit team to review the draft APP for 2016/2017, to evaluate its compliance to the 'SMART' principles, as well as the reliability, and relevance of the objectives, among other things.</p>	Ongoing

Resolution No.	Subject	Response by the entity	Resolved (Yes/No)
5.4.1.2	That the entity ensures that transparent financial and performance management reporting systems are regularly maintained. This should be led and managed by staff with strong technical skills and experience and the committee must be provided with a progress report detailing the effectiveness of measures put in place in addressing matters related to annual financial statements within 30 days of adoption hereof and thereafter every quarter continuing up until the end of June 2016.	The current performance management reporting system, FIS, is due to be replaced by a modern and transparent system through the supply chain process. The new system is required to interface with the financial system to reduce the risk of human error in the transfer of data from the fleet system into the finance system.	Ongoing
5.4.2.2	That the MEC intensifies performance and consequence management processes to eliminate findings on irregular as well as fruitless and wasteful expenditure and provide the committee with a progress report detailing the effectiveness of measures put in place to address the findings within 30 days of adoption hereof and thereafter every quarter continuing up until the end of June 2016.	<p>The irregular expenditure relates to contracts expired for leasing of office buildings for regional offices and office equipment. No official was found to be at fault for the leasing of the buildings as the matter was referred to the departmental BAC which in turn referred the matter to the Department of Infrastructure Development as the custodians of office rentals. The issue was however the fact that said rental of buildings was taking place outside of the Gauteng Province.</p> <p>Rental extensions for regional offices have since been signed by the HoD.</p> <p>Fruitless and wasteful expenditure occur as a result of the operations of the entity. It specifically relates to traffic fines that the entity pay and claim from the client departments afterwards. The client departments are being billed for the traffic fines and the collections will be done in line with the Debtors Management Strategy.</p>	Ongoing
5.4.3.2	That the MEC intensifies performance and consequence management processes to eliminate findings on non-compliance with key legislation and provides the committee with a progress report detailing the effectiveness of measures put in place to address challenges related to payment of service providers within 30 days of adoption hereof and thereafter every quarter continuing up until the end of June 2016.	<p>In the current year, the entity experienced a system problem whereby one of the servers housing the FNB payment files crashed and it took about three weeks for it to be restored as the required part had to be imported from overseas.</p> <p>Apart from this incident, the entity continues to pay its suppliers within 30 days, with less than 2% of suppliers being paid outside the 30-day period, due to various reasons such as disputed invoices.</p>	Ongoing

Resolution No.	Subject	Response by the entity	Resolved (Yes/No)
5.4.3.2	That the MEC holds the CEO accountable for timely implementation of action plans and honouring of commitments and provides the committee with a progress report detailing the effectiveness of measures put in place in addressing payment of service providers within 30 days of adoption hereof and thereafter every quarter up until the end of June 2016	<p>In the current year, the entity experienced a system problem whereby one of the servers housing the FNB payment files crashed and it took about three weeks for it to be restored as the required part had to be imported from overseas.</p> <p>Apart from this incident, the entity continues to pay its suppliers within 30 days, with less than 2% of suppliers being paid outside the 30-day period, due to various reasons such as disputed invoices.</p>	Ongoing
5.4.3.2	That the MEC inserts the payment of suppliers within 30 days as a key performance indicator in the performance management criteria of the CEO and provides the committee with a progress report within 30 days of adoption hereof and thereafter every quarter continuing up until the end of June 2016.	The payment of suppliers within 30 days has been inserted as a key performance indicator in the performance management criteria of the CEO.	Ongoing
5.4.1.2	That the entity provides the committee with a progress report on the effectiveness of mechanisms and systems put in place to address findings in revenue management within 30 days of adoption hereof and thereafter every quarter continuing up until the end of June 2016.	<p>As part of the turnaround plan, the entity is reviewing business processes and controls. Revision of controls is set for completion by April 2016. In the interim, the entity has implemented controls to ensure that errors identified in the annual financial statements are addressed. Interim controls implemented include review of billing, vehicle and contract information, classification of leases according to finance and operating leases and review of information captured on the FIS before the vehicles are despatched to client departments. These controls will identify errors before it is posted in the financial statements.</p> <p>The entity has submitted the third quarter financial statements to Treasury via the Caseware system. The Office of the AGSA has already started auditing the opening balances. The AGSA's report on the review of the opening balances will be produced before the end of March 2016.</p>	Ongoing

Resolution No.	Subject	Response by the entity	Resolved (Yes/No)
5.4.5.2	That the entity provides the committee with a progress report detailing the effectiveness of measures put in place to address record keeping for contract management and monitors the adequacy of internal controls in order to avoid recurrence of this finding within 30 days of adoption hereof and thereafter every quarter continuing up until the end of June 2016.	<p>A vehicle file is created for every new vehicle procured by the entity. The file contains vehicle information, from requisition and purchase order to the vehicle contract issued to client. A checklist on each file is signed off by each official handling the file at any given point. Vehicle file information, captured onto the FIS is reviewed daily by process supervisors. Following vehicle dispatch to the client, the complete vehicle file is handed over and signed for by the record keeping unit under the sub-directorate Facilities and Security.</p> <p>The records and facilities unit has a registry office responsible for managing incoming and outgoing vehicle files. The next level of control that will be instituted to safeguard data integrity is to no longer allow original files to be removed from the archives. Instead, scanned copies will be provided to those requiring information. The original files will however, be available for viewing in the archives room.</p> <p>Since the cleansing process, all POOL vehicles files were relocated to the basement at the VIP section in the admin building. They are ready to be moved to the designated filing centre at the facilities unit. In the meantime, all VIP files are kept in the admin building and are updated with new information after every transaction.</p>	Ongoing
5.5.1.1	That the entity provides the committee with a progress report detailing the status of the automated fleet management system within 30 days of adoption hereof and thereafter every quarter continuing up until the end of June 2016.	The automated fleet management system is in the third stage (site visits) of bid evaluation before submission to the BAC before the end of February 2016.	Ongoing
5.6.1.1	That the entity provides the committee with a progress report detailing the status of the investigations within 30 days of adoption hereof and thereafter every quarter continuing up until the end of June 2016.	The DRT's Fraud and Corruption Unit has assigned resources to bring investigations to a close. Only then will a progress report be provided on the status of the investigations.	Ongoing

2.5.8 Internal Control Unit

The internal audit section from Gauteng Audit Services performed a review on g-FleeT processes. The audit indicated that the processes and the related systems of internal control around the entity's processes were not adequate and effective. It should however be noted that the results improved when compared to that of the previous year.

2.5.9. AUDIT COMMITTEE REPORT

Report of the Audit Committee – Cluster 04

g-FleeT Management Agency

We are pleased to present our report for the financial year ended 31 March 2016.

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

Non-Executive Members

Name of Member	Number of Meetings Attended
Ms. Janice Meissner (Chairperson)	05
Ms. Lorraine Francois (Chairperson)	03 (Resigned 29 April 2016)
Mr. Wayne Poggenpoel	02 (Resigned 01 December 2015)
Mr. Japie du Plessis	01
Mr. Mandla Ncube	02
Ms. Tshidi Molala	03

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)	01
Ms. Noxolo Maninjwa (Acting Chief Executive Officer)	04
Ms. Natalie Govender (Chief Financial Officer)	01
Mr. Greg Mahase (Acting Chief Financial Officer)	02
Mr. Lebogang Jantjies (Acting Chief Financial Officer)	02
Ms. Delicia Kgage (Chief Risk Officer)	02

The Audit Committee noted change in leadership that took place within the Entity during the financial year under review and noted that the Accounting Officer attended all scheduled Audit Committee. The Committee was seconded with additional Members from other clusters to ensure adequate quorum and succession during the period where Member vacancy existed. Therefore, the Audit Committee is satisfied that the Entity adhered to the provisions of the GPG Audit Committee Charter.

The Members of the Audit Committee met with the Senior Management of the Entity, the Department and Internal Audit, collectively to address risks and challenges facing the Entity. A number of in-committee meetings were held to address control weaknesses and deviations; and to oversee the turnaround strategy 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 Entity regressed during the year under review. This was evident by the assurance provided by Internal Audit based on the results of the audits performed and the follow-up reviews conducted. The overall opinion on the internal control design was "inadequate and ineffective". The Audit Committee and Internal Audit further recommended that Management should put more effort into implementing agreed action plans to address the previously reported audit findings in order to improve the overall control environment within the Department. Although significant progress was made within the financial accounting processes, the Audit Committee is concerned about the sustainability of the control environment and stressed to management that this must receive urgent attention.

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 minor significant progress

made on the ICT internal control. The Audit Committee report its dissatisfaction with minimal progress made with the implementation of the Disaster Recovery Plan, Business Continuity Plan and the Billing System. This continued to be a high risk for the Entity.

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. Internal audit performed 8 audits during the financial year 2015/16, and raised 59 significant findings, which increased from the previous financial year figure of 31.

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 Entity.

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 is anticipated to be fully addressed, following the appointment of the new Chief Audit Executive.

Risk Management

Progress on the departmental risk management was reported to the Audit Committee on a quarterly basis. The Audit Committee is satisfied that the actual management of risk is receiving attention, although there are areas that still require 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 recommendations are at various stages of implementation.

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 Entity 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 Entity'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 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. Janice Meissner
Chairperson of the Audit Committee
Date: 31 July 2016



2.6. PART

D:

**HUMAN RESOURCE
MANAGEMENT**

2.6.1. Introduction

The five-year strategic human resources plan was approved during the 2014/2015 financial year. The entity was previously characterised by a high vacancy rate with the number of contract workers exceeding those of permanent workers. Currently g-FleeT Management has ten (10) contract employees between level eight (8) and level twelve (12). This has been turned around with a total number of sixty five (65) contract employees on level three (3) to level seven (7) being absorbed on a permanent basis as per the amended Labour Relations Act. The recruitment process continues to be aggressively pursued. There are ongoing consultations with the Gauteng Department of Finance and the DPSA to implement the MEC signed structure for g-FleeT Management. These processes continue to uplift the morale of the work force, some of whom have 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 conducted and the entity has also engaged with the relevant SETA's. Five(5) 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 by the DRT and management continues to encourage and advise employees about the importance of taking advantage of what the department offers around wellness issues. The entity has however now employed an employee relations and wellness official in an effort to increase the focus on g-FleeT specific employee issues in this regard.

With the five-year HR strategic plan now in place the entity is poised for significant improvements in people management practices going forward. To this end, g-FleeT has taken tentative steps to introduce competency matrixes for the entity beginning with the finance competency matrix. Annual employee climate surveys will also be conducted with the aim of improving relations between employees and management and to help foster a shared culture.

2.6.2 Human Resource Oversight Statistics

3.1. Personnel related expenditure

The following tables summarise 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, homeowners' allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2015 to 31 March 2016

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	2 065	2 065	0	0	82%	688
Office of the COO	1 288	1 288	0	0	95%	644
Office of the CFO	13 881	13 881	0	0	93%	330
Corporate Services	11 308	10 860	448	0	74%	278
Marketing & Communication	7 174	7 174	0	0	97%	276
Maintenance Services	11 061	11 061	0	0	93%	240
Transport Support Services	8 747	8 747	0	0	94%	273
Permanent Service	5 715	5,715,162	0	0	99%	301
VIP/POOL Services	15 440	15 440	0	0	101%	241
LSDP Services	889	889	0	0	92%	889
TOTAL	77 568	77 120	448	0	92%	281

Table 3.1.2 Personnel costs by salary band for the period 1 April 2015 to 31 March 2016

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)	203	0.2%	5	41
Skilled (Levels 3-5)	21 132	27%	120	176
Highly skilled production (Levels 6-8)	26 802	35%	73	92
Highly skilled supervision (Levels 9-12)	20 471	27%	36	44
Senior and top management (Levels 13-16)	8 511	11%	5	10
TOTAL	77 120	100%	239	363

Table 3.1.3 Salaries, Overtime, Homeowners' Allowance and Medical Aid by programme for the period 1 April 2015 to 31 March 2016

Programme	Salaries		Overtime		Homeowners' Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Office of the CEO	1 560	63%		0%	14	105%	22	92%
Office of the COO	947	94%		0%		0%	3	-100%
Office of the CFO	11 975	92%		0%	220	100%	176	96%
Corporate Services	8 443	80%	486	18%	227	114%	210	91%
Marketing & Communication	5 647	97%		0%	143	114%	174	97%
Maintenance Services	8 933	90%		0%	371	98%	381	102%
Transport Support Services	7 053	93%		0%	268	110%	479	101%
Permanent Service	4 555	100%		0%	209	92%	222	98%
VIP/POOL Services	12 862	100%		0%	539	112%	406	100%
LSDP Services	750	95%		0%			29	96%
TOTAL	62 723	91%	486	18%	1 993	105%	2 101	99%

Table 3.1.4 Salaries, Overtime, Homeowners' Allowance and Medical Aid by salary band for the period 1 April 2015 to 31 March 2016

Salary Bands	Salaries		Overtime		Homeowners' Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (Levels 1-2)	160	39%		0%	17	98%	6	53%
Skilled (Levels 3-5)	16 826	93%	471	25%	802	108%	798	99%
Highly skilled production (Levels 6-8)	22 964	95%	12	3%	530	105%	776	99%
Highly skilled supervision (Levels 9-12)	16 999	93%	3	1%	485	105%	436	99%
Senior management (Levels 13-16)	5 773	73%		0%	159	96%	85	94%
TOTAL	62 723	91%	486	18%	1 993	105%	2 101	99%

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 in 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 in the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme as at 31 March 2016

Programme	Number of posts approved in establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
SMS (Levels 13 to 16)	8	5	1%	2
Levels 11 to 12	18	15	1%	0
Levels 7 to 10	126	89	11%	0
Levels 1 to 6	180	130	15%	0
TOTAL	332	239	28%	2

Table 3.2.2 Employment and vacancies by salary band as at 31 March 2016

Salary band	Number of posts approved in establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2)	14	5	3%	-
Skilled (Levels 3-5)	149	120	9%	0
Highly skilled production (Levels 6-8)	111	73	11%	0
Highly skilled supervision (Levels 9-12)	50	36	4%	0
Senior management (Levels 13-16)	8	5	1%	2
TOTAL	332	239	28%	2

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as at 31 March 2016

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	0%
Salary Level 14	2	1	50%	0	50%
Salary Level 13	7	3	57%	3	43%
TOTAL	10	5	60%	3	40%

The CFO post and director client management services is not on the structure but both posts are funded.

Table 3.3.2 SMS post information as at 31 March 2016

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	0	0	0	0	0
Salary Level 15	1	1	100%	0	0%
Salary Level 14	2	1	50%	0	50%
Salary Level 13	7	3	57%	3	43%
TOTAL	10	5	60%	3	40%

Table 3.3.3 Advertising and filling of SMS post for the period 1 April 2015 to 31 March 2016

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	0	0	0	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	1	1	100%	0	0%
Salary Level 14	2	1	50%	0	50%
Salary Level 13	7	3	57%	3	43%
TOTAL	10	5	60%	3	40%

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS posts – Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2015 to 31 March 2016.

Reasons for vacancies not advertised within six months

The recruitment process was delayed because of late approvals of advertisement, interviews and the recommended candidate.

Director: Fleet Maintenance resigned and submission was made for advertisement.

Reasons for vacancies not filled within six months

Advertisement, short-listing and interviews occurred during the first six months.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2015 to 31 March 2016

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within six months
None

3.4 Job Evaluation

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

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2015 to 31 March 2016

Salary band	Number of posts approved in establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts	Number	% of posts
Lower Skilled (Levels 1-2)	14	3	1%	-	-	-	-
Skilled (Levels 3-5)	149	101	30%	-	-	-	-
Highly skilled production (Levels 6-8)	111	14	4%	-	-	-	-
Highly skilled supervision (Levels 9-12)	50	15	5%	-	-	-	-
Senior Management Service Band A	8	0	0%	-	-	-	-
Senior Management Service Band B	-	-	-	-	-	-	-
Senior Management Service Band C	-	-	-	-	-	-	-
Senior Management Service Band D	-	-	-	-	-	-	-
TOTAL	332	133	40%	-	-	-	-

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2015 to 31 March 2016

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
TOTAL	0	0	0	0	0
Employees with a disability					

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2015 to 31 March 2016

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Finance	3	-	12	Salary level post is level 11
HR - Administration	1	11	12	-
Legal	1	-	12	-
Total number of employees whose salaries exceeded the level determined by job evaluation				5
Percentage of total employed 12%				

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2015 to 31 March 2016

Gender	African	Asian	Coloured	White	Total
Female	1	1	1	-	3
Male	2	-	-	-	2
Total	3	1	1	-	5
Employees with a disability	-	-	-	-	-

Total Number of Employees whose remuneration exceeded the grade determined by job evaluation in 2015/2016	5
---	---

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 3.5.1 Annual turnover rates by salary band for the period 1 April 2015 to 31 March 2016

Salary Band	Number of employees at beginning of period-April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	4	0	0	0
Skilled (Levels 3-5)	81	11	3	2.7
Highly skilled production (Levels 6-8)	50	79	6	11.5
Highly skilled supervision (Levels 9-12)	30	1	2	5.9
Senior Management Service Band A	6	0	0	0
Senior Management Service Band B	2	0	1	0
Senior Management Service Band C	1	1	1	0
Senior Management Service Band D		0	0	0
TOTAL	174	92	13	6.4

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2015 to 31 March 2016

Critical Occupation	Number of employees at beginning of period-April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, Permanent -	14	0	1	7.1
All artisans in building, metal machinery, etc., Permanent	9	0	2	22.2
Building and other property caretakers, Permanent	3	0	0	0
Bus and heavy vehicle drivers, Permanent	3	0	0	0
Cleaners in offices workshops, hospitals, etc., Permanent	6	0	0	0
Client information clerks (switchboard / receptionists), Permanent	0	1	1	0
Computer programmers, Permanent	1	2	1	100
Finance and economics related, Permanent	3	0	0	0
Financial and related professionals, Permanent	2	0	0	0
Financial clerks and credit controllers, Permanent	3	0	2	66.7
HoD, /CEO, Permanent	1	0	0	0
Human resources, OD and related professions, Permanent	4	0	1	25
Human resources clerks, Permanent	1	4	0	0
Human resources related, Permanent	9	0	0	0
Information technology related, Permanent	1	0	0	0

Critical Occupation	Number of employees at beginning of period-April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Library mail and related clerks, Permanent	3	0	0	0
Light vehicle drivers, Permanent	9	5	0	0
Material-recording and transport clerks, Permanent	1	0	0	0
Messengers porters and deliverers, Permanent	3	1	0	0
Motor vehicle drivers, Permanent	1	0	0	0
Other administration, related clerks and organisers, Permanent	55	10	1	1.8
Other administrative policy and related officers, Permanent	12	1	1	8.3
Other occupations, Permanent	1	0	0	0
Secretaries and other keyboard operating clerks, Permanent	6	2	0	0
Senior managers, Permanent	7	0	1	14.3
Trade labourers, Permanent	16	0	0	0
TOTAL	172	26	11	6.4

Notes

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

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2015 to 31 March 2016

Termination Type	Number	% of Total Resignations
Death	-	-
Resignation	6	14
Expiry of contract	2	5
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	-	-
Retirement	3	7
Transfer to other public service departments	-	-
Other	-	-
TOTAL	11	-
Total number of employees who left as a % of total employment	-	26%

Table 3.5.4 Promotions by critical occupation for the period 1 April 2015 to 31 March 2016

Occupation	Employees 1 April 2015	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
Clerks	76	-	-	-	-
Technicians and associate professionals	97	5	-	-	-
TOTAL	173	5	-	-	-

Table 3.5.5 Promotions by salary band for the period 1 April 2015 to 31 March 2016

Salary Band	Employees 1 April 2015	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)	2	-	-	-	-
Skilled (Levels 3-5)	74	-	-	-	-
Highly skilled production (Levels 6-8)	53	5	9.6	-	-
Highly skilled supervision (Levels 9-12)	34	-	-	-	-
Senior Management (Level 13-16)	10	-	-	-	-
TOTAL	173	5	9.6	-	-

3.6. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2016

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	3	-	-	-	1	1	-	-	5
Professionals	3	1	-	-	7	1	1	2	15
Technicians and associate professionals	27	1	2	2	46	3	1	7	89
Clerks	79	-	-	5	39	1	-	6	130
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trade workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
TOTAL	-	239							
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2016

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	3	-	-	-	1	1	-	-	5
Professionally qualified and experienced specialists and mid-management	3	1	-	-	7	1	1	2	15
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	27	1	2	2	46	3	1	7	89
Semi-skilled and discretionary decision making	79	-	-	5	39	1	-	6	130
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	239
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.3 Recruitment for the period 1 April 2015 to 31 March 2016

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 3.6.4 Promotions for the period 1 April 2015 to 31 March 2016

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	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	-	-	-	1	-	-	-	3
Semi-skilled and discretionary decision making	1	-	-	-	-	-	-	1	2
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
TOTAL	3	-	-	-	1	-	-	1	5
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.5 Terminations for the period 1 April 2015 to 31 March 2016

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	1	-	-	-	1	-	-	-	2
Professionally qualified and experienced specialists and mid-management	1	-	-	-	1	-	-	-	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	-	-	1	2	-	-	1	5
Semi-skilled and discretionary decision making	2	-	-	-	-	-	-	-	2
Contract (Top Management), Permanent	-	-	-	-	-	-	-	-	-
Contract (Senior Management), Permanent	-	-	-	-	-	-	-	-	-
Contract (Professionally qualified), Permanent	-	-	-	-	-	-	-	-	-
TOTAL	5	-	-	1	4	-	-	1	11
Employees with Disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.6 Disciplinary action for the period 1 April 2015 to 31 March 2016

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Suspension without pay	-	-	-	-	-	-	-	-	-
Dismissal	-	-	-	-	1	-	-	-	1

3.7 Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as at 31 March 2016

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/ HoD	-	-	-	-
Salary Level 16	-	-	-	-
Salary Level 15	1	1	1	100%
Salary Level 14	2	1	1	100%
Salary Level 13	7	5	4	100%
TOTAL	10	7	6	100%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as at 31 March 2016

Reasons
One senior manager resigned in November 2015.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as at 31 March 2016

Reasons
None

3.8. 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 3.8.1 Sick leave for the period 1 January 2015 to 31 December 2015

Salary Band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Levels 1-2)	2	100	1	1.2	2	1
Skilled (Levels 3-5)	198	93.9	27	32.9	7	124

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)
Highly skilled production (Levels 6-8)	136	81.6	27	32.9	5	148
Highly skilled supervision (Levels 9 -12)	84	72.6	20	24.4	4	151
Top and Senior management (Levels 13-16)	26	92.3	6	7.3	4	86
TOTAL	446	440.4	81	98.7	22	510

Table 3.8.2 Annual Leave for the period 1 January 2015 to 31 December 2015

Salary Band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	1312.25	18	73
Skilled (Levels 3-5)	815	15	56
Highly skilled production (Levels 6-8)	450	15	30
Highly skilled supervision (Levels 9-12)	157	20	8
Senior management (Levels 13-16)	134	6	21
TOTAL	2868.25	74	188

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

Table 3.8.3 Leave payouts for the period 1 April 2015 to 31 March 2016

Reason	Total Amount (R'000)	Number of Employees	Average per employee (R'000)
Leave payout for 2015/2016 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave payouts on termination of service for 2015/2016	-	-	-
Current leave payouts on termination of service for 2015/2016	585 574.19	10	585 57.419
TOTAL	585 574.19	10	585 57.419

3.9. HIV/AIDS & Health Promotion Programmes

Table 3.9.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	None

Table 3.9.2 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	
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	
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	
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	
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	
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	
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have you achieved.	X		
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		

3.10. Labour Relations

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

Table 3.10.1 Misconduct and disciplinary hearings finalised for the period 1 April 2015 to 31 March 2016

Outcomes of disciplinary hearings	Number	% of Total
Correctional counselling	-	0%
Verbal warnings	-	0%
Written warnings	-	0%
Final written warnings	-	0%
Suspended without pay	-	0%
Fines	-	0%
Demotions	-	0%
Dismissals	1	1%
Not guilty	-	0%
Cases withdrawn	-	0%
TOTAL	1	1%

Table 3.10.2 Types of misconduct addressed at disciplinary hearings for the period 1 April 2015 to 31 March 2016

Type of misconduct (based on annexure A)	Number	% of Total
Abscondment from work	1	100%
TOTAL	1	100%

Table 3.10.3 Grievances logged for the period 1 April 2015 to 31 March 2016

Grievances	Number	% of Total
Number of grievances resolved	-	0%
Number of grievances not resolved	5	100%
Total of grievances not lodged	0	100%

3.11. Skills development

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

The training plan for the period under review was not approved.

3.12. Utilisation of Consultants

Table 3.12.1 Report on consultant appointments using appropriated funds for the period 1 April 2015 to 31 March 2016

Project Title	Total Number of consultants that worked on project	Duration (Work days)	Contract value in Rand
PWC	Team	5 months	R4 136 277
Ernst & Young	Team	10 months (Effective on October 2015 - 31 July 2016)	R4 592 832



2.7. PART E: FINANCIAL INFORMATION

g-FleeT Management

Formerly Government Garage

Trading as g-FleeT Management

Financial Statements for the year ended 31 March 2016

INDEX

The reports and statements set out below comprise the financial statements presented to the provincial legislature:

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g-FleeT Management

Formerly Government Garage

Trading as g-FleeT Management

Financial Statements for the year ended 31 March 2016

Report of the Auditor-General

Report of the auditor-general to the Gauteng Provincial Legislature on g-FleeT Management

Report on the financial statements

Introduction

1. I have audited the financial statements of the g-FleeT Management set out on pages 308 to 341, which comprise the statement of financial position as at 31 March 2016, 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 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 entity's preparation and fair presentation of the financial statements 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 aspects, the financial position of g-FleeT Management as at 31 March 2016, and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the PFMA.

Emphasis of matter

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

Restatement of corresponding figures

8. As disclosed in note 2 to the financial statements, the corresponding figures for 31 March 2015 have been restated as a result of errors discovered during the year ended 31 March 2016 in the financial statements of the g-FleeT Management at, and for the year ended 31 March 2015.

Report on other legal and regulatory requirements

9. 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 raise 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

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes of the original and revised annual performance plans, presented in the annual performance report of the trading entity for the year ended 31 March 2016.

Programme 1: Operational management services

- Original APP (quarter one to three) on pages 257 to 260
- Revised APP (quarter four) on pages 261 to 263

Programme 2: Corporate and financial management

- Revised APP (quarter four) on pages 263 to 266

11. 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).
12. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

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

Programme 1: operational management services

Usefulness of reported performance information

Original APP (quarter one to three)

14. The FMPPI requires performance indicators to have clear definitions so that data can be collected consistently and is easy to understand and use. A total of 67% of the indicators were not well defined.
15. A total of 33% of 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 five year strategic plan, as required by the FMPPI.

Reliability of reported performance information

Original APP (quarter one to three)

16. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. The reported performance information was not reliable when compared to the source information.

Revised APP (quarter four)

17. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. The reported achievements against planned targets of 50% indicators were not reliable when compared to the source information.

Programme 2: Corporate and financial management

Usefulness and reliability of reported performance information

Revised APP (quarter four)

18. I did not raise material findings on the usefulness and reliability of the reported performance information for programme 2: corporate and financial management.

Additional matters

19. I draw attention to the following matters.

Achievement of planned targets

20. Refer to the annual performance report on pages 255 to 267 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 14 to 17 of this report.

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 1: Operational management services; programme 2: Corporate and financial management. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

22. 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:

Annual financial statements

23. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and as required by section 40(1)(b) of the PFMA. Material misstatements of non-current assets, current assets, liabilities, revenue and commitments identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

24. Effective steps were not taken to prevent irregular expenditure, amounting to R2 565 000 as disclosed in note 29 of the annual financial statements (AFS), as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.
25. Effective steps were not taken to prevent fruitless and wasteful expenditure, amounting to R1 967 000 as disclosed in note 28 of the AFS, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.
26. Contractual obligations and money owed by the entity were not settled within 30 days, as required by section 38(1)(f) of the PFMA and treasury regulation 8.2.3.

Procurement and contract management

27. Sufficient appropriate audit evidence could not be obtained that all contracts were awarded in accordance with the legislative requirements as two contracts were not submitted for audit.

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. The accounting officer did not implement adequate internal controls to hold individuals accountable for their performance responsibilities relating to the preparation of financial statements and performance reports.

Financial and performance management

30. Management did not ensure that controls over reconciliations, daily and monthly processing of transactions are implemented effectively.
31. Management responsible for the reporting of predetermined objectives did not have effective controls to ensure that performance reports were useful and supported by complete, relevant and accurate information.
32. The supply chain unit did not adequately review and monitor compliance with applicable laws and regulations due to lack of effective consequence management.
33. The IT systems were designed, but formal controls were not implemented fully to ensure that the systems were reliable which resulted in material misstatements in performance reports.

Other reports

34. I draw attention to the following engagement that could potentially impact on the entity's financial, performance and compliance related matters. My opinion is not modified in respect of these engagements that are in progress.

Investigations

35. Stolen vehicles were identified and reported to the anti-fraud and corruption unit for investigation. These investigations were in progress at the reporting date.

Auditor - General

Johannesburg

31 July 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

g-FleeT Management

Formerly Government Garage

Trading as g-FleeT Management

Financial Statements for the year ended 31 March 2016

Statement of Financial Position as at 31 March 2016

		2016	2015
	Note(s)	R '000	Restated*
		R '000	R '000
Assets			
Current Assets			
Cash and cash equivalents	3	514 339	303 140
Receivables from exchange transactions	4	218 601	275 872
Prepayments	5	1 230	581
Inventories	6	7 402	32 500
Finance lease receivables	9	13 140	12 245
		754 712	624 338
Non-Current Assets			
Property plant and equipment	7	1 195 345	1 054 534
Intangible assets	8	98	123
Finance lease receivables	9	13 969	23 778
Rental deposits		91	91
		1 209 503	1 078 526
Total Assets		1 964 215	1 702 864
Liabilities			
Current Liabilities			
Finance lease obligation	10	1 534	3 395
Payables from exchange transactions	12	59 399	32 480
Other payables	13	6 680	4 363
		67 613	40 238
Non-Current Liabilities			
Finance lease obligation	10	22 016	23 300
Long-term leave accrual	11	2 898	2 998
		24 914	26 298
Total Liabilities		92 527	66 536
Net Assets		1 871 688	1 636 328
Accumulated surplus		1 871 688	1 636 328

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Financial Statements for the year ended 31 March 2016

Statement of Financial Performance for the year ended 31 March 2016

		2016	2015
		R '000	Restated*
	Note(s)		R '000
Revenue			
Revenue from exchange transactions			
Revenue from auction of vehicles		77 885	51 736
Revenue from leases	14	682 638	723 705
Realisation of property lease liability	16	1 200	1 200
Debt Impairment - reversal	15	26 077	-
Revenue from transport services		1 556	1 651
Interest received	17	28 093	19 514
Total revenue from exchange transactions		817 449	797 806
Revenue from non-exchange transactions			
Revenue from Conditional Grants	18	8 548	11 279
Other income		-	175
Total revenue from non-exchange transactions		8 548	11 454
Total revenue		825 997	809 260
Expenditure			
Employee related costs	19	(77 725)	(79 440)
Depreciation and amortisation	7&8	(95 188)	(109 537)
Impairment loss		-	(5 271)
Finance costs		(3 609)	(4 638)
Debt Impairment	15	-	(64 208)
Repairs and maintenance		(102 936)	(93 797)
Cost of sales		(106 913)	(73 062)
General Expenses	20	(204 268)	(212 451)
Total expenditure		(590 639)	(642 404)
Surplus for the year		235 358	166 856

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Financial Statements for the year ended 31 March 2016

Statement of Changes in Net Assets for the year ended 31 March 2016

	Accumulated surplus R '000	Total net assets R '000
Opening balance as previously reported	1 434 706	1 434 706
Adjustments		
Prior year adjustments	34 765	34 765
Balance at 01 April 2014 as restated*	1 469 471	1 469 471
Changes in net assets		
Surplus for the year	166 856	166 856
Total changes	166 856	166 856
Opening balance as previously reported	1 604 144	1 604 144
Adjustments		
Prior year adjustments	32 186	32 186
Balance at April 01, 2015 as restated*	1 636 330	1 636 330
Changes in net assets		
Surplus for the year	235 358	235 358
Total changes	235 358	235 358
Balance at 31 March 2016	1 871 688	1 871 688

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Financial Statements for the year ended 31 March 2016

Cash Flow Statement for the year ended 31 March 2016

		2016	2015
	<i>Note(s)</i>	R '000	Restated*
		R '000	R '000
Cash flows from operating activities			
Receipts			
Revenue from leases		796 874	654 307
Revenue from conditional grants		8 548	-
Interest income		17 907	9 636
Revenue from auction of vehicles		49 147	52 233
Income from transport fees		1 556	-
		<u>874 032</u>	<u>716 176</u>
Payments			
Employee costs		(75 508)	(78 640)
Operating Expenditure and repairs and maintenance		(279 982)	(376 315)
		<u>(355 490)</u>	<u>(454 955)</u>
Net cash flows from operating activities	21	<u>518 542</u>	<u>261 221</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(313 532)	(243 016)
Proceeds from sale of property, plant and equipment	7	-	1 407
Purchase of other intangible assets	8	-	(110)
Capital receipts from finance lease receivables		2 756	-
Interest receipts on finance lease receivables		10 186	-
Net cash flows from investing activities		<u>(300 590)</u>	<u>(241 719)</u>
Cash flows from financing activities			
Capital repayment of finance lease obligation		(3 145)	(7 223)
Interest repayment on finance lease obligations		(3 608)	-
Net cash flows from financing activities		<u>(6 753)</u>	<u>(7 223)</u>
Net increase in cash and cash equivalents		211 199	12 279
Cash and cash equivalents at the beginning of the year		<u>303 140</u>	<u>290 861</u>
Cash and cash equivalents at the end of the year	3	<u>514 339</u>	<u>303 140</u>

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Financial Statements for the year ended 31 March 2016

Accounting Policies

1. Background

g-FleeT is a provincial Trading Entity, which reports to the Accounting Officer of the Gauteng Department of Roads and Transport, its controlling entity. The mandate of the entity is to be the leading provider of fleet management services within government. The Entity is incorporated and operates in the Republic of South Africa.

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board (ASB) in accordance with Section 55(2) of the Public Finance Management Act, 1, 1999 (PFMA). These 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 financial statements, are disclosed below. The Entity has not applied any transitional provisions during the current period.

1.1 Presentation currency

These financial statements are presented in South African Rands, which is the functional currency of the entity.

1.2 Going concern assumption

Management is not aware of any matters or circumstances arising since the end of the financial year that were otherwise not dealt with in the Annual Financial Statements, which significantly affect the financial position of the Entity or the results of its operations. These 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 Significant judgements and sources of estimation uncertainty

Estimates

The preparation of financial information requires the use of estimates and assumptions about future conditions. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from these estimates.

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 and in any future periods affected.

Management has made the following accounting estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Impairment testing

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 and intangible 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.

Impairment of Trade and other receivables

The Entity makes provision for doubtful debts relating to all long outstanding debts from customers. In determining the value of doubtful debts, the Entity estimates future expected cash flows arising from those receivables which, in its judgement, are impaired.

Useful lives and residual values of property, plant and equipment (PPE)

Property, plant and equipment is depreciated over its useful life taking into account residual values, where appropriate. Re-assessments of useful lives and residual values are performed annually after considering factors such as the condition of the asset, maintenance programmes, and relevant market information, and manner of recovery. In re-assessing residual values, the Entity considers the remaining life of the asset and its projected disposal value.

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Financial Statements for the year ended 31 March 2016

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Significant judgements

In the process of applying the accounting policies of the Entity, management has made the following judgements which have a significant effect on the amounts recognised in the financial statements:

Impairment of Trade and other receivables

The Entity makes provision for doubtful debts relating to all long outstanding debts from customers. In determining whether trade and other receivables are impaired, the Entity makes judgements as to whether there is objective evidence of impairment as a result of one or more loss event.

Classification of leases

The Entity has entered into lease agreements acting as both a lessor and lessee. The Entity uses judgement to determine, based on the evaluation of the terms and conditions of lease agreements, the appropriate treatment of the leases as either finance leases or operating leases.

Contingent liabilities

The existence of the obligation arising from legal claims against the Entity may only be determined through the outcome of legal proceedings. Management applies its judgement in determining whether a present obligation exists, and therefore whether these claims should be recognised as provisions or disclosed as contingent liabilities.

1.4 Property, plant and equipment

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 during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Initial recognition and measurement

Property, plant and equipment is initially measured at cost on its acquisition date.

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 management. Trade discounts and rebates are deducted in arriving at the cost.

Subsequent measurement

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. 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 expenditure will flow to the Entity and the cost or fair value of the subsequent expenditure can be reliably measured.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. Depreciation commences when the asset is available for use. The residual value, useful life and depreciation method for each asset are reviewed at the end of each reporting period. If expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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Financial Statements for the year ended 31 March 2016

Accounting Policies

1.4 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment are as follows:

Item	Depreciation method	Average useful life
Furniture and office equipment	Straight line	5 - 25 years
Motor vehicles	Straight line	
• Motor vehicles- passenger		7 years
• Motor vehicles - commercial		11 years
Machinery and Tools	Straight line	3 - 6 years
Leasehold improvements	Straight line	20 - 30 years
Leased assets	Straight line	Lease term
Assets under construction	Straight line	Not depreciated

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

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.

1.5 Intangible assets

Identifiable non-monetary assets without physical substance are classified and recognised as intangible assets.

Intangible assets are initially recognised at cost. The cost of intangible assets is the purchase price of the software purchased and any installation costs incurred.

Intangible assets are shown at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over the intangible assets' useful life, which is estimated to be between 9 to 15 years. Amortisation commences when the intangible asset is available for use. The estimated useful life, residual values and amortisation method are reviewed at the end of the financial year. Any adjustments arising from the annual review are applied prospectively as a change in accounting estimate.

Intangible assets are derecognised when the software is replaced or no longer used. The gain or loss arising on the disposal or retirement of an intangible asset is recognised in the Statement of Financial Performance.

1.6 Financial instruments

A financial asset is any asset that is a cash or contractual right to receive cash or other financial asset. 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 assets:

- Receivables from exchange transactions
- Cash and cash equivalents

The Entity has the following types of financial liabilities:

- Payables from exchange transactions
- Long-term leave accrual
- Service bonus accrual

The financial assets and liabilities of the Entity have all been classified as carried at amortised cost.

Initial recognition and measurement

Financials instruments are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Financial instruments are recognised when the Entity becomes a party to the contract.

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Financial Statements for the year ended 31 March 2016

Accounting Policies

1.6 Financial instruments (continued)

Subsequent measurement

Trade and other receivables from exchange transactions

Trade and other receivables are stated at amortised cost using the effective interest rate method, less a provision for impairment. Trade and other receivables are assessed for indicators of impairment at each reporting date. Trade and other receivables are impaired where objective evidence of impairment exists, either individually or collectively for receivables that are not individually significant. If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with GRAP 104.

If in the subsequent year the amount of the estimated impairment loss increases or decreases the previously recognised impairment provision will be increased or reduced.

Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at amortised cost using the effective interest rate method. Cash and cash equivalents comprise cash at banks and short-term deposits.

Trade and other payables

Trade and other payables are stated at amortised cost using the effective interest rate method.

Derecognition

The Entity derecognises financial assets, where applicable, a part of a financial asset or part of a group of similar financial assets when:

- the contractual right to the cash flows from the financial asset expire, are settled or waived;
- the Entity transfers to another party substantially all the risks and rewards of ownership of the financial asset; or
- the Entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Derecognition thus occurs when trade and other receivables are settled by the client, and when cash balances are withdrawn from the bank or disbursed.

The Entity derecognises financial liabilities when the obligation under the liability is discharged or cancelled or expires. Derecognition thus occurs when the liability has been paid.

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessor

Amounts due from lessees under finance leases are recorded as receivables at commencement of the lease, and measured at the amount of Entity's net investment in the leases.

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 to be the difference between the net investment in the lease and the carrying value of the vehicle. The gain or loss is included in surplus or deficit.

During the lease term, finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Entity's net investment outstanding in respect of the leases. The accounting policy for impairment of trade and other receivables is also applied to impairment of the net investment in lease receivable.

The accounting policy for derecognition of trade and other receivables is also applied to derecognition of the net investment in lease receivable. 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 lease contract.

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Financial Statements for the year ended 31 March 2016

Accounting Policies

1.7 Leases (continued)

Finance leases - lessee

Where the Entity enters into a finance lease, 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. Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment.

Corresponding liabilities are included in the Statement of Financial Position as finance lease liabilities. Lease payments are allocated between the lease finance cost and the capital repayment. The finance charge is allocated to each period during the lease term so as to achieve a constant rate of interest on the outstanding liability. The accounting policy for derecognition of trade and other payables is also applied to derecognition of the finance lease payable.

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. Revenue related to fleet management services is recognised as the service is rendered.

1.8 Inventories

Inventory comprises of items of property, plant and equipment that was previously held for rental. Inventories are recognised at the carrying amount of the item of property, plant and equipment when management decide to sell it.

Inventory write downs to net realisable value and all losses of inventories are recognised as an expense in the period the write down or the loss occurs. Reversals of write downs of inventories arising from an increase in net realisable value are recognised as a reduction in the inventories recognised as an expense in the period the reversal occurs.

When inventories are sold the carrying amount is recognised as an expense in the period the related revenue is recognised.

1.9 Impairment of cash-generating assets

Cash-generating assets are those assets held by the Entity with the primary objective of generating a commercial return. The Entity assesses at each reporting date whether there is an indication that assets may be impaired. If any indication exists when annual impairment testing for assets is required, the Entity estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of a its fair value less costs of disposal and its value in use and is determined for the individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. In determining fair value less costs of disposal, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The reversal of the loss is recognised as part of the surplus or deficit in the Statement of Financial Performance.

1.10 Employee benefits

Employee benefits are all forms of consideration given by an Entity in exchange for service rendered by employees.

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Accounting Policies

1.10 Employee benefits (continued)

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 includes:

- 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 recognises 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.

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.

1.11 Commitments

Commitments are disclosed for contracts that are entered into before the reporting date, but goods and services have not yet been received.

1.12 Revenue from non-exchange transactions

Conditional grants

Revenue from non-exchange transactions refers to transactions where the Entity received revenue from another Entity without directly giving approximately equal value in exchange. The Entity receives conditional grants from a client in order to fund the purchase of vehicles for its officials. The grants received are recognised as cash and a corresponding liability. These grants are conditional upon the purchase of these vehicles, and are recognised as revenue once the vehicles are purchased. The grants are measured at the fair value of the consideration received.

1.13 Revenue from exchange transactions

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.

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.

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Financial Statements for the year ended 31 March 2016

Accounting Policies

1.13 Revenue from exchange transactions (continued)

Revenue from auction of vehicles

All revenue from the sale of goods arises from the sale of vehicles previously leased to clients. All vehicles are sold via auction. Revenue from the sale of vehicles is recognised once the appointed auctioneers have provided evidence that the vehicle was sold on auction, and provided the price at which the vehicle was auctioned. Revenue is measured at the price determined on auction.

Kilometre tariffs

Revenue from excess kilometres (kilometres in excess of the contracted kilometres) is charged as the excess kilometres are travelled.

Income from other services relating to leases

For lease arrangements, a portion of the payments made by clients are for providing services ancillary to the lease, such as administration and tracking of the vehicle. These payments are recognised on a straight-line basis over the term of the lease.

Transport services to government employees

The Entity earns revenue 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. Transport service revenue is recognised once a trip is completed.

Interest

Interest from bank accounts is recognised using the effective interest method.

Interest on finance lease receivables is recognised from commencement of the lease until the finance lease is settled, based on the interest rate implicit in the lease as determined at inception of the lease.

Recoveries from clients

Toll, fuel, oil, accident and traffic fine revenue is a direct charge and recoverable from the clients. This revenue is recognised when the client incurs the cost.

1.14 Comparative figures

When the presentation or classification of items in the financial statements is amended, prior period comparative amounts are reclassified. Prior period comparative amounts have also been restated for all prior period errors. The nature, amounts and reasons for the restatements and reclassifications are disclosed.

1.15 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance. Fruitless and wasteful expenditure is also disclosed in the notes to the financial statements.

1.16 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) the PFMA; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

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Accounting Policies

1.16 Irregular expenditure (continued)

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as an expense or a assets 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 disclosed in the notes to the financial statements and removed from the note when it is either condoned by the relevant authority or transferred to receivables for recovery.

1.17 Related parties

Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.18 Events after the reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

All adjusting events are taken into account in the financial statements as the necessary adjustments are made to the financial statements. All non-adjusting event are disclosed in the notes to the financial statements.

1.19 Standards of GRAP issued but not yet effective

The following Standards of GRAP have been issued but are not yet required to be applied by the Entity as the Minister of Finance has not yet determined the effective date for these Standards of GRAP:

GRAP 18 Segment Reporting

GRAP 18 would require the Entity to identify different segments into which it is divided, and disclose certain financial information for each identified segment. g-FleeT anticipates that once the Standard becomes effective, it will be required to make segment disclosures in addition to all the disclosures in the current financial statements. The Entity will apply GRAP 18 in the year in which it is required to, according to the effective date that will be announced by the Minister of Finance.

GRAP 105 Transfers of Functions Between Entities Under Common Control and GRAP 106 Transfers of Functions Between Entities Not Under Common Control

GRAP 105 and 106 prescribe the accounting treatment for a transfer of functions. g-FleeT does not anticipate that it will be a party to a transfer of functions in the near future, therefore these Standards will not have an impact on the g-FleeT financial statements.

GRAP 107 Mergers

GRAP 107 prescribes the accounting treatment for mergers. g-FleeT does not anticipate that it will be a party to a merger in the near future, therefore this Standard will not have an impact on the g-FleeT financial statements.

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Financial Statements for the year ended 31 March 2016

Accounting Policies

GRAP 32: Service Concession Arrangements: Grantor

GRAP 32 prescribes the accounting treatment for service concession arrangements by the grantor. g-FleeT is not the grantor in in any service concession arrangements, therefore this Standard will not have an impact on the g-FleeT financial statements.

GRAP 108: Statutory Receivables

GRAP 32 prescribes the accounting treatment for statutory receivables. g-FleeT does not have any transactions that meet the definition of a statutory receivable, therefore this Standard will not have an impact on the g-FleeT financial statements.

GRAP 109: Accounting by Principles and Agents

GRAP 109 would require the entity to determine whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. g-FleeT anticipates that once the Standard becomes effective, it will be required to make an assessment on whether to recognise revenue, expenses, assets and/or liabilities as an agent or a principal. Additional disclosures pertaining to principal-agent arrangements will also be required. The entity will apply GRAP 109 in the year in which it is required to, according to the effective date that will be announced by the Minister of Finance.

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	2016	2015
<i>Note(s)</i>	R '000	Restated*
	R '000	R '000
2. Correction of error		
The following prior period errors were identified during the year:		
Error 1: Finance lease accounting		
The Entity enters into vehicle lease contracts with its clients. The substance of some of these lease contracts passed the risks and rewards of ownership of the vehicle to the client and is thus classified as a finance lease. However, the entity was incorrectly recognising these leases as operating leases.		
As a consequence revenue and property, plant and equipment was overstated and finance lease receivables were understated. The impact of correcting the error is as follows:		
Statement of financial performance		
Decrease in depreciation and amortisation		(3 460)
Decrease in cost of sales		(18)
Decrease in revenue from leases		12 999
Increase in interest income		(9 878)
		(357)
Statement of financial position: Current assets		
Increase in receivables from exchange transactions		3 968
Increase in current portion of finance lease receivables		12 245
Decrease in inventories		(159)
		16 054
Statement of financial position: Non-current assets		
Increase in non-current portion of finance lease receivables		23 778
Decrease in property, plant and equipment		(37 066)
		(13 288)
Statement of financial position: Net assets		
Increase in opening balance accumulated surplus		(2 408)

Error 2: Vehicles not depreciated during prior period

During the 2015 financial year, the fixed asset register contained 3 vehicles that were not depreciated from when they were available for use, resulting in an overstatement of property, plant and equipment. The impact of correcting the error is as follows:

Statement of financial performance		
Increase in depreciation and amortisation		51
Statement of financial position: Non-current assets		
Decrease in property, plant and equipment		(434)
Statement of financial position: Net assets		
Decrease in opening balance accumulated surplus		383

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	2016	2015
	R '000	Restated*
<i>Note(s)</i>	R '000	R '000
2. Correction of error (continued)		
Error 3: No revision of useful lives of PPE		
The Entity is required to periodically reassess the useful life of assets which are still in use. The revision of useful lives was not conducted during the 2015 financial year or prior to that. Thus the fixed asset register contained fully depreciated assets that were still in use. The impact of correcting the error is as follows:		
Statement of financial performance		
Decrease in depreciation and amortisation		(1 980)
Statement of financial position: Non-current assets		
Increase in property, plant and equipment		12 769
Statement of financial position: Net assets		
Increase in opening balance accumulated surplus		(10 789)
Error 4: Incorrect billing		
The entity's billing system generated incorrect billing in 2015 and during prior periods, resulting in incorrect recognition of revenue and accounts receivable. The impact of correcting the error is as follows:		
Statement of financial performance		
Increase in revenue from leases		(3 415)
Statement of financial position: Current assets		
Decrease in receivables from exchange transactions		(27 798)
Statement of financial position: Net assets		
Increase in opening balance accumulated surplus		24 383

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	2016	2015
	R '000	Restated*
	Note(s)	R '000
2. Correction of error (continued)		
Error 5: Subsequent expenditure on property, plant and equipment		
During the 2015 financial year, certain subsequent expenditure incurred on items of property, plant and equipment was expensed whereas it should have been capitalised, resulting in understatement of property, plant and equipment. The impact of correcting the error is as follows:		
Statement of financial performance		(448)
Decrease in repairs and maintenance expense		9
Increase in depreciation expense		<u>(439)</u>
Statement of financial position: Non-current assets		
Increase in property, plant and equipment		<u>438</u>
Error 6: Finance lease		
During the prior period, the incorrect amount was recognised as a finance lease obligation and item of property, plant and equipment, at commencement of a finance lease.		
Statement of financial performance		
Increase in depreciation expense		<u>3 126</u>
Non-current assets		
Increase in property, plant and equipment		<u>2 084</u>
Non-current liabilities		
Increase in non-current finance lease obligation		<u>(7 319)</u>
Net assets		
Decrease in opening balance accumulated surplus		<u>2 110</u>
Error 7: Inventory		
Items of inventory sold during prior periods were not removed from the inventory balance and reflected in expenses during the year that the sale took place.		
Statement of financial performance		
Increase in cost of sales		<u>4 846</u>
Current assets		
Decrease in inventory		<u>(5 169)</u>
Net Assets		
Decrease in opening balance accumulated surplus		<u>322</u>
The total impact on the closing accumulated surplus balance is as follows:		
Error 1		(2 408)
Error 2		383

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	2016	2015
	R '000	Restated*
Note(s)		R '000
2. Correction of error (continued)		
Error 3		(10 789)
Error 4		(24 383)
Error 6		2 110
Error 7		322
Impact on opening accumulated surplus		(34 765)
		(34 765)

Reclassification adjustments

During the year, the entity changed the presentation of some financial statement line items. To ensure consistency in presentation, the corresponding comparatives were also reclassified. The effects of the reclassification adjustments are as follows:

Reclassification of revenue line items

Movement from revenue from leases	1 644
Movement from other income	7
Movement to revenue from transport services	(1 651)
	-

Reclassification of loss from disposal of vehicles

Movement to cost of sales	565
Movement from loss on disposal of assets and liabilities	(565)
	-

Reclassification of fair value adjustments on receivables and payables

Movement from fair value adjustments on receivables and payables	1 709
Movement to impairment of receivables	(964)
Movement to payables from exchange transactions	(745)
	-

Reclassification of receivables line items

Movement from other receivables from non-exchange transactions	(3 186)
Movement to receivables from exchange transactions	3 186
	-

Reclassification of other payables

Movement from payables from exchange transactions	7 361
Movement to other payables	(4 363)
Movement to long-term leave accrual	(2 998)
	-

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	514 335	303 133
Cash on hand	4	7
	514 339	303 140

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	2016	2015
	R '000	Restated*
Note(s)	R '000	R '000
4. Receivables from exchange transactions		
Trade receivables	182 066	271 388
Other receivables - Revenue from auction of vehicles	30 036	1 298
Other debtors - Traffic fines and accident claims	6 499	3 186
	218 601	275 872

Balance as at 31 March 2016:

	Gross Balance	Impairment provision	Net balance
Trade Receivables	293 374	(111 308)	182 066
Other receivables - Revenue from auction of vehicles	30 036	-	30 036
Other debtors - Traffic fines and accident claims	8 526	(2 027)	6 499
	331 936	(113 335)	218 601

Balance as at 31 March 2015:

	Gross Balance	Impairment provision	Net balance
Trade Receivables	391 298	(119 910)	271,388
Other receivables - Revenue from auction of vehicles	1 298	-	1 298
Other debtors - Traffic fines and accident claims	5 213	(2 027)	3 186
	397 809	(121 937)	275,872

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.

Trade and other receivables past due but not impaired

The ageing of amounts past due but not impaired is as follows:

31 to 60 days	27 641	80 148
61 to 90 days	17 745	23,145
91 to 120 days	15 470	38 336
Greater than 120 days	83 963	109 587
	144 819	251 216

Reconciliation of provision for impairment of trade and other receivables from exchange transactions

Opening balance	121 937	57 729
Charged to the Statement of Financial Performance	(28 227)	64 208
	93 710	121 937

5. Prepayments

During the prior period the entity made prepayments to the Department of Roads and Transport relating to registration of vehicles and renewal of vehicle licenses. The prepayments balance in the current period relates to e-toll prepayments made to Sanral.

Prepayments	1 230	581
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Notes to the Financial Statements

	Note(s)	2016 R '000	2015 Restated* R '000
6. Inventories			
Vehicles held for sale		8 019	38 480
		8 019	38 480
Inventories (write-downs)		(617)	(5 980)
		7 402	32 500
Inventories recognised as cost of sales expense during the year		107 451	73 062
No Inventories have been pledged as collateral for liabilities.		8 455	-

7. Property, plant and equipment

	2015			2016		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Machinery and Tools	93	(56)	37	93	(56)	37
Furniture and fixtures	11 084	(3 390)	7 694	10 530	(2 525)	8 005
Motor vehicles	1 364 355	(315 589)	1 048 766	1 231 720	(325 864)	905 856
Leasehold improvements	62 139	(5 515)	56 624	62 139	(3 443)	58 696
Assets under construction - WIP	73 692	(5 271)	68 421	68 389	(5 271)	63 118
Leased Property	14 646	(1 941)	12 705	14 646	(1 793)	12 853
Leased machinery and cellphones	16 196	(15 098)	1 098	16 073	(10 104)	5 969
Total	1 542 205	(346 860)	1 195 345	1 403 590	(349 056)	1 054 534

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Figures in Rand thousand

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Transfers to other institutions	Disposal on finance lease arrangement	Net transfers (to)/from inventory	Depreciation	Stolen assets	Total
(a) Machinery and Tools	37	-	-	-	-	-	-	37
(b) Furniture and fixtures	8 005	555	-	-	-	(866)	-	7 694
(c) Motor vehicles	905 856	313 025	(1 784)	(678)	(80 288)	(87 082)	(283)	1 048 766
(d) Leasehold improvements	58 696	-	-	-	-	(2 072)	-	56 624
(e) Assets under construction - WIP	631 118	5 303	-	-	-	-	-	68 421
(f) Leased Property	12 853	-	-	-	-	(148)	-	12 705
(g) Leased machinery and cellphones	5 969	124	-	-	-	(4 995)	-	1 098
	1 046 541	319 007	(129)	(6770)	(42 843)	(95 163)	(283)	1 195 345

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Figures in Rand thousand

7. Property plant and equipment (continued)

Reconciliation of property plant and equipment - 2015

	Opening balance	Additions	Transfers to other institutions	Disposals	Disposal on finance lease arrangement	Net transfers (to)/from inventory	Depreciation	Impairment loss	Stolen assets	Total
Machinery and Tools	-	38	-	-	-	-	(1)	-	-	37
Furniture and fixtures	7 928	739	-	-	-	-	(662)	-	-	8 005
Motor vehicles	874 317	245 830	-	(1 571)	(18 305)	(93 605)	(100 459)	-	(351)	905 856
Leasehold improvements	42 055	-	19 154	-	-	-	(2 513)	-	-	58 696
Assets under construction - WIP	71 610	15 933	(19 154)	-	-	-	-	(5 271)	-	63 118
Leased Property	13 462	-	-	-	-	-	(609)	-	-	12 853
Leased machinery and cellphones	10 956	280	-	-	-	-	(5 267)	-	-	5 969
	1 020 328	2 62 820	-	(1 571)	(18 305)	(93 605)	(109 511)	(5 271)	(351)	1 054 534

Pledged as security

The entity has not pledged any property plant and equipment as security for liabilities except for leased property plant and equipment. The leased assets are used as security for their related finance lease obligation.

Impairment of assets

The prior year impairment relates to two buildings that forms part of WIP. Assessment was done on the Panelbeating building and the Wellness centre building and the results thereof resulted in the impairment amount.

PPE change in Accounting Estimate

During the current period the entity revised and extended the accounting estimate for useful lives of motor vehicles. The useful lives of motor vehicles is now estimated to be 7 years and 11 years for passenger and commercial vehicles respectively. This change reduces the depreciation charge in the current period by R22 244 000 and will increase the depreciation charge in future periods by the same amount.

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	2016	2015 Restated*
Note(s)	R '000	R '000

8. Intangible assets

	2015			2016		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Computer software, other	620	(522)	98	620	(497)	123

Reconciliation of intangible assets - 2016

	Opening balance	Amortisation	Total
Computer software, other	123	(25)	98

Reconciliation of intangible assets - 2015

	Opening balance	Additions	Amortisation	Total
Computer software, other	39	110	(26)	123

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	2016	2015
<i>Note(s)</i>	R '000	Restated* R '000
9. Finance lease receivables		
Gross investment in the lease due		
- within one year	26 407	22 682
- in second to fifth year inclusive	18 839	44 171
- later than five years	-	38
	45 246	66 891
less: Unearned finance revenue	(8 201)	(23 045)
Present value of minimum lease payments receivable	37 045	43 846
less: allowance for uncollectible minimum lease payments	(9 936)	(7 785)
	27 109	36 061
Reconciliation of finance lease receivables between current and non-current		
- Current portion	13 140	12 245
- Non-current portion	13 969	23 816
	27 109	36 061
<p>The entity entered into finance leasing arrangements for certain of its motor vehicles. The average lease terms are 3-5 years and the average effective interest rate is 2%. None of the finance lease receivables have been pledged as security for liabilities or contingent liabilities.</p> <p>The undiscounted value of unguaranteed residual value included in finance lease receivables amounted to R 35 259 (2015: R 30 751).</p>		
Finance lease receivables past due but not impaired		
The ageing of amounts past due but not impaired is as follows:		
31 to 60 days	6 067	5 204
61 to 90 days	2 068	1 503
91 to 120 days	2 150	2 489
Greater than 120 days	7 053	7 114
	17 338	16 310
Finance lease receivables impaired		
Reconciliation of provision for impairment of Finance lease receivables		
Opening balance	7 785	7 785
Provision for impairment	2 151	-
	9 936	7 785

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	2016	2015
	R '000	Restated*
Note(s)	R '000	R '000
Non-current liabilities	22 016	23 300
Current liabilities	1 534	3 395
	23 550	26 695

10. Finance lease obligation

As at 31 March 2016	Minimum lease payable	Future finance charges	Present value of minimum lease payables
Within One Year	2 805	(1 170)	1 635
Within Two To Five Years	4 860	(4 415)	445
Later Than Five Years	100 800	(79 330)	21 470
Subtotal	108 465	(84 915)	23 550
Less: Amount Due Within One Year	(2 805)	1 271	(1 534)
Total	105 660	(83 644)	22 016

As at 31 March 2015	Minimum lease payable	Future finance charges	Present value of minimum lease payables
Within One Year	7 007	(3 337)	3 670
Within Two To Five Years	7 542	(5 720)	1 822
Later Than Five Years	100 799	(79 597)	21 202
Subtotal	115 348	(88 654)	26 694
Less: Amount Due Within One Year	(7 007)	3 612	(3 395)
Total	108 341	(85 042)	23 299

The lease periods of agreements entered into by g-FleeT in the capacity as a lessee ranges from 2 to 99 years. Interest rates vary per lease agreement. The finance lease obligations, are secured by finance lease assets included in Property, Plant and Equipment.

11. Long-term leave accrual

As a result of the Bargaining Council's Resolution 7 of 2000, unused leave that had accumulated to employees until 1 July 2000 had to be capped and paid out to them upon resignation or retirement. The long-term leave accrual represents the amounts of capped leave still due to employees who have not yet resigned or retired.

12. Payables from exchange transactions

Trade payables	59 399	31 688
Other payables	-	792
	59 399	32 480

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	2016	2015
	R '000	Restated*
Note(s)		R '000
13. Other payables		
Performance bonus accrual	1 160	-
Leave pay accrual	3 873	3 135
Service bonus accrual	1 647	1 228
	6 680	4 363

Performance bonus accrual

Accruals were raised for performance bonuses that are due within the next 12 months. The accrual 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.

Service bonus accrual

Accruals were raised for service bonus (13th cheque) and that are due within the next 12 months. The accrual relates to those amounts not yet paid to employees.

14. Revenue from Leases

Services income	103	255
Operating Lease	519 493	563 590
Toll Fees	4 907	4 059
Fuel and Oil	142 722	141 224
Traffic and Accident Claims	15 413	14 577
	682 638	723 705

15. Debt Impairment

Finance lease receivable impairment	(2 151)	-
Receivables from exchange transactions impairment	28 228	(64 208)
	26 077	(64 208)

16. Realisation of Property Lease Liability

Realisation of Property Lease Liability	1 200	1 200
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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 on behalf of g-FleeT. In terms of this lease agreement, the monthly rental is R 100,000 per month (amounting to a R 1,2 million 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.

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	2016	2015
		Restated*
Note(s)	R '000	R '000
17. Interest received		
Bank	17 907	9 636
Interest on finance lease receivables	10 186	9 878
	28 093	19 514
18. Revenue from conditional grants		
Department of Justice and Constitutional Development	8 548	11 279
19. Employee related costs		
Basic Salary	59 065	64 470
Performance Bonus	600	475
Medical aid - company contributions	2 101	1 412
Pension	5 364	3 693
Workmen's Compensation Act contribution	13	12
Leave pay accrual	814	-
Other short term costs	1 701	587
Overtime payments	486	953
13th Cheques	2 865	2 013
Acting allowances	96	-
Housing benefits and allowances	4 620	5 825
	77 725	79 440
Average Number Of Employees	248	256

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.

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	2016	2015
		Restated*
Note(s)	R '000	R '000
20. General expenses		
Advertising	931	523
Auditors remuneration	6 001	3 260
Bank charges	25	23
Computer expenses	27	335
Consulting and professional fees	6 911	2 867
Consumables	1 833	1 822
Entertainment	58	31
Conferences and seminars	1 665	1 005
License fees - software	614	1 070
Marketing	407	663
Levies	1 218	1 498
Motor vehicle expenses	1	-
Fuel and oil	147 137	156 086
Postage and courier	129	137
Printing and stationery	1 067	1 170
Security	3 714	2 912
Software expenses	-	495
Subscriptions and membership fees	41	45
Training	448	1 994
Travel - local	1 207	1 204
Tracking expenses	5 574	9 080
Rental expenses - operating lease	5 215	5 396
Parking costs	10	27
License fees - vehicles	3 158	4 817
Motor vehicle expenses - (RT46 costs)	16 314	14 709
Other expenses	26	12
Inventory write down to net realisable value	537	1 270
	204 268	212 451

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	2016	2015
	R '000	Restated*
	Note(s)	R '000
21. Cash generated from operations		
Surplus	232 357	169 856
Adjustments for:		
Depreciation and amortisation	95 188	109 537
Loss on transfers of PPE	-	565
Finance costs - Finance leases	3 609	4 638
Interest income	(10 186)	(12 435)
Impairment of assets	-	5 271
Debt impairment (Reversal)	(26 077)	64 208
Loss on transfers and stolen PPE	411	-
Sale of vehicles	(28 738)	69 965
Realisation of lease property	(1 200)	(1 200)
Changes in working capital:		
Receivables from exchange transactions	114 236	(104 234)
Other receivables from non-exchange transactions	-	(7 178)
Prepayments	(649)	(581)
Cost of sales	107 451	-
Payables from exchange transactions	26 924	(35 503)
Payables from non-exchange transactions	2 216	1 312
	518 542	261 221

22. Financial instruments disclosure

Categories of financial instruments

2016

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	218 601	218 601
Cash and cash equivalents	514 339	514 339
	732 940	732 940

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	59 399	59 399
Long-term leave accrual	3 873	3 873
Performance bonus accrual	1 160	1 160
Service bonus accrual	1 647	1 647
	66 079	66 079

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Notes to the Financial Statements

	2016	2015
		Restated*
Note(s)	R '000	R '000
2015		
Financial assets		
	At amortised cost	Total
Receivables from exchange transactions	275 872	275 872
Cash and cash equivalents	303 140	303 140
	579 012	579 012
Financial liabilities		
	At amortised cost	Total
Payables from exchange transactions	32 479	32 479
Long-term leave accrual	3 135	3 135
Service bonus accrual	1 228	1 228
	36 842	36 842

Liquidity risk

gFleet's exposure to liquidity risk consists of the risk that it will not have sufficient cash to pay liabilities as they fall due. gFleet manages liquidity risk so as to maintain a positive cash balance

The total exposure to liquidity risk is represented by the trade and other payables and finance lease payable balance in these financial statements.

The entity manages liquidity risk through an ongoing review of future commitments. Through this review, the Entity ensures that it has sufficient cash on demand or access to facilities to meet expected operational and capital expenses.

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	2016	2015
	R '000	Restated*
Note(s)	R '000	R '000

22. Financial instruments disclosure (continued)

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 the table are the contractual undiscounted cash flows. The maturity profile for finance lease payables is disclosed in the finance lease obligations note.

Maturity of financial liabilities - 2016	Due within 1 month	Due within 2 - 12 months	Due after 12 months
Payables from exchange transactions	59 399	-	-
Service bonus accrual	-	1 647	-
Long term leave accrual	-	-	3 873
Performance bonus accrual	-	1 160	-
	59 399	2 807	3 873

Maturity of financial liabilities - 2015	Due within 1 month	Due within 2 - 12 months	Due after 12 months
Payables from exchange transactions	32 479	-	-
Service bonus accrual	-	1 228	-
Long term leave accrual	-	-	3 135
	32 479	1 228	3 135

Credit risk

Credit risk consists of cash and cash equivalents and receivables. g-Fleet Management considers its credit risk minimised as the entity only hold cash with major banks with high quality credit standing and Trade and other receivables comprise of a Government customer base. Government debt is considered recoverable. All debtors that are neither past due not impaired are thus considered to be recoverable, although recovery may not be within the contractually agreed timeframes. The entity continues to render services to its defaulting customers so as to ensure government service delivery is not impeded by its clients.

gFleet establishes an impairment that represents its estimate of potential losses in respect of trade receivables. Further credit risk information is provided in the notes for Receivables from exchange transactions and Finance lease receivables.

Interest rate risk

The Entity is not entitled to charge interest on overdue debtors. The interest arising from finance lease receivables and payables arises from the interest rate implicit in leases, and is not affected by market interest rates. Thus, the entity's exposure to cash flow interest rate risk arises if it is required to pay interest on overdue trade and other payables. The extent of this risk amounts to market interest rates applied to the trade and other payables balance.

The entity has a policy of paying suppliers within 30 days of the invoice date, and interest rate risk exposure is managed through adherence to this policy.

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Notes to the Financial Statements

	2016	2015
<i>Note(s)</i>	R '000	Restated* R '000
23. Commitments		
Authorised capital expenditure		
Already contracted for but not incurred		
• Infrastructure	5 992	2 658
• Consulting fees	7 979	14 727
	13 971	17 385
Not yet contracted for and authorised		
• Property, plant and equipment	59 645	81 454
Total capital and operational commitments		
Already contracted for but not provided for	13 971	17 385
• Not yet contracted for and authorised	59 645	81 454
	73 616	98 839
Already contracted for but not provided for		
• Icon Business Enterprise	361	-
• Thebe YamaPhike Projects	27	-
• Lettam Conrtruction and Civils	280	-
• Bila Civil Contractors	600	-
• DNMZ	213	-
• DBI	6 141	-
• Ernst&Young	1 838	-
• Open purchase orders - Various Companies	4 511	-
	13 971	-
Not yet contracted for and authorised		
• Open orders for motor vehicles	86 590	81 454

This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, existing cash resources, funds internally generated, etc.

Notes to the Financial Statements

	2016	2015
	R '000	Restated*
Note(s)	R '000	R '000

24. Contingencies Litigation:

Litigation:

Barloworld, Mbokoda, Kgafela and Imphopoma have all instituted legal claims against g-FleeT seeking damages. g-FleeT's lawyers and management at the moment are unable to ascertain if the above mentioned claims will be successful or not and possible amounts to be awarded to the plaintiffs.

Performance bonus

Management of g-FleeT have performed an annual performance evaluation for their employees to determine which employee is eligible for a performance bonus. The assessment has been handed over to the Gauteng Department of Roads and Transport who will determine if performance bonus' are paid. The decision to pay or not is at the sole discretion of the department and as such management can not determine if the performance bonus will be paid.

Contingent liabilities consists of:

Barloworld - Contract claim for outstanding invoices and accident damages	1 000	1 000
Mbokoda - 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	3 484
Housing Guarantees	42	42
Kgafela Construction - Claim for breach of contract	300	-
Performance Bonus (g-FleeT staff)	-	1 063
Imphopoma Infrastructure (2010 invoice)	-	1 860
	4 826	7 449

25. Related parties

All transactions with related parties are within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which the Entity would have adopted if dealing with that individual entity or person on terms and conditions within the normal operating parameters established by the reporting entity's legal mandate.

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26. Members' emoluments

Executive

2016

	Basic salary	13th Cheque	Pension paid or receivable	Other benefits	Total
	R '000	R '000	R '000	R '000	R '000
Mr. Chikane Chikane - Transferred 30/09/2015	485	-	63	123	671
Ms. Natalie Govender - Transferred 30/09/2015	393	-	51	117	561
Mr. Victor Mhangwana	730	-	95	218	1 043
Mr. Sishi Hlalanathi (Resigned 31/01/16)	407	46	53	205	711
Ms. Tebogo Mokete	550	46	72	249	917
Ms. Andile Ngcobo	519	43	67	235	864
Ms. Salomi Jafta	519	43	67	235	864
Ms. Ravanne Mathews	542	45	70	246	903
Mr. Thulani Mkwanazi	526	44	68	239	877
Ms Noxolo Maninjwa - Acting from 01/10/2015	515	9	67	259	850
	5 186	276	673	2 126	8 261

2015

	Basic salary	13th Cheque	Pension paid or receivable	Other benefits	Total
	R '000	R '000	R '000	R '000	R '000
Mr. Chikane Chikane	973	88	126	228	1 415
Ms. Natalie Govender	745	-	97	223	1 065
Mr. Victor Mhangwana	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 Mkwanazi	506	42	66	229	843
	5 534	348	719	2 151	8 752

27. Events after the reporting date

There are no subsequent events to be reported upon.

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Notes to the Financial Statements

Figures in Rand thousand

	2016	2015
		Restated*
Note(s)	R '000	R '000
28. Fruitless and wasteful expenditure		
Opening Balance	12 532	10 868
Fruitless and wasteful expenditure - relating to current year	1 959	1 664
Cedman Consulting and Projects	8	-
	<u>14 499</u>	<u>12 532</u>

Fruitless and wasteful expenditure relates to Traffic fines incurred by drivers of the vehicles which is recovered from the client department and not written off. 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.

29. Irregular expenditure

Opening balance	47 530	43 965
Add: Irregular Expenditure - current year	2 565	3 565
Less: Amounts condoned	(7 404)	-
	<u>42 358</u>	<u>47 530</u>

Analysis of expenditure awaiting condonation per age classification

Current year	2 232	3 565
Prior years	40 126	43 965
	<u>42 358</u>	<u>47 530</u>

Details of irregular expenditure – current year

Property lease payments made on expired contract		1 191
Office equipment lease payments made on expired contracts		449
Cellphone contract payments made on expired contracts		555
Vehicle tracker payments made on expired contracts		37
Deviations not approved		333

Disciplinary steps taken/criminal proceedings

The root cause is a prolonged process of determining whether the Department of Infrastructure Development should be involved in acquiring accommodation for the entity. Thus, the irregular expenditure was not the result of fraudulent, corrupt or criminal activity.	1 191
The Accounting Officer has not yet instituted a process to identify whether any fraudulent, corrupt or criminal activity has occurred.	449
The Accounting Officer has not yet instituted a process to identify whether any fraudulent, corrupt or criminal activity has occurred.	555
The root cause is because the trackers remain in the vehicles after the contracts expire, hence payment continues to be made to the service provider. Thus, the irregular expenditure was not the result of fraudulent, corrupt or criminal activity.	37
The Accounting Officer has not yet instituted a process to identify whether any fraudulent, corrupt or criminal activity has occurred.	333

2 565

