

GAUTENG PROVINCE

ROADS AND TRANSPORT
REPUBLIC OF SOUTH AFRICA

**g-Fleet MANAGEMENT 2018/19 FINANCIAL YEAR FIRST QUARTER PERFORMANCE REPORT
(01 APRIL -30 JUNE 2018)**

Supported by:
Mr. Mbasa Ngumla
Acting Chief Financial Officer
Date: 31/7/2018

Authorised by:
Ms. Noxolo Maninjwa
Acting Chief Executive Officer

Approved by:
Mr. Ronald Swartz
Head of Department: DRT

Date: 31/07/18

Date: 23/06/18

TABLE OF CONTENTS

1.	TRADING ENTITY PERFORMANCE.....	3
1.1	OVERVIEW BY CHIEF EXECUTIVE OFFICER.....	3-4
1.2	REVISIONS TO LEGISLATIVE, POLICY AND OTHER MANDATES.....	5
1.3	UPDATED SITUATIONAL ANALYSIS.....	6
1.4	OVERVIEW OF ORGANISATIONAL ENVIRONMENT.....	7-8
2.	FINANCIAL PERFORMANCE.....	9
2.1	ANNUAL BUDGET: FUNDING.....	9
2.2	REVENUE INVOICING: BILLING.....	9
2.3	REVENUE COLLECTIONS: RECEIPTS.....	10
2.4	EXPENDITURE: PER PROGRAMME.....	10-11
2.5	EXPENDITURE: PER BUSINESS UNIT.....	12
3.	NON-FINANCIAL PERFORMANCE.....	13
3.1	OVERVIEW OF PROGRAMME STRUCTURE.....	13
3.2	SERVICE DELIVERY PERFORMANCE.....	14-20

1.3 UPDATED SITUATIONAL ANALYSIS

1.3.1 Improvement of Performance in 2018/19 Financial Year

All efforts will be directed in ensuring that an Unqualified Audit Opinion is issued by the Auditor General (SA). Interventions will also be aimed at addressing operational challenges thereby demonstrating significant and systematic improvement of operations and customer satisfaction. Ongoing surveys and engagements with all key stakeholders throughout the current financial year will further provide an opportunity to determine whether planned and implemented initiatives have the desired effect on fleet management operations which will result in high levels of client satisfaction thereby meeting stakeholder expectations.

1.3.2 Service Delivery Environment

The entity managed to keep the average age of fleet at less than 4 years during the quarter under review. This was due to procurement of new vehicles and the disposal of redundant vehicles.

The planned target for percentage of vehicles auctioned was 80%. The target for the quarter was not achieved because the last auction for 2017/18 was only finalized in the first quarter of the new financial year and the settlement report was only received on 9th May 2018.

The entity tracked 90.8% of in-service vehicles. This was due to the single sourcing contract which was awarded in March 2018.

The target for turnaround times for accidents and mechanical repairs was not achieved, due to the misalignment of accident repairs process with the service provider. Review of the realignment of the accident repairs process was done, but the problem still persists.

The planned target for number of days for vehicle preparation is 20 business days, but due to the backlog of tracker fitments in the previous quarter, the vehicles preparation process was delayed to 30 business days. The finalisation of the appointment of the new tracker service provider will ensure availability of tracking units.

The targets for average rental of VIP and Pool fleet were not reported on due to FIS challenges.

The target for percentage of maintenance expenditure on Gauteng township business (automotive) exceeded the planned target of 4%, this was due to the ongoing engagement mandate between the entity and the service provider.

1.4.3 Overview Staff Complement

An analysis of the current profile of employees indicate that 81% (or 222) of g-Fleet employees are permanent employees, whilst 3% (or 7) are employed on a contract basis. The recruitment process will continue as the moratorium on vacant posts has been lifted.

1.4.4 Summary of Posts and Vacancies

Staff Categories	Number	Percentage
	Q1	Q1
Total posts on approved structure	275	100%
Total staff complement	229	83%
Number of professional and managerial posts	8	3%
Number of professional and managerial posts filled	6	2%
Number of excess staff	0	0%
Number of positions filled by permanent staff	222	81%
Number of positions filled by contract staff	7	3%
Number of vacant positions excluding contract workers	53	19%
Number of vacant positions including contract workers	53+7= (60)	22%

1.4.5 Summary of Disciplinary Procedures

Status	Discipline	Appeals	Conciliation	Arbitration	Grievances	Disputes
Number Lodged	Nil	Nil	Nil	Nil	Nil	Nil
Number Concluded	Nil	Nil	Nil	Nil	Nil	One
Number Outstanding	Nil	Nil	Nil	Nil	Nil	Nil

APP REPORT 2018-19 FY		YEAR TO DATE RESULTS						QUARTER 1 RESULTS		
PER PROGRAMME	ANNUAL BUDGET	ACTUAL SPEND	TOTAL VARIANCE	% SPENT	QUARTERLY BUDGET	ACTUAL SPEND	TOTAL VARIANCE	% SPENT		
OFFICE OF THE CEO	R 3,370,861	✓ R 846,117	R 2,524,744	25%	✓ R 745,215	R 846,117	-R 100,902	114%		
OFFICE OF THE CFO	R 8,891,043	✓ R 2,598,549	R 6,292,494	29%	✓ R 3,380,165	R 2,598,549	R 781,616	77%		
FINANCIAL ACCOUNTING	R 20,613,775	✓ R 3,411,137	R 17,202,638	17%	R 4,852,942	R 3,411,137	R 1,441,805	70%		
OPERATIONS AND CORPORATE SERVICES	R 911,744,540	✓ R 187,100,538	R 724,644,002	21%	R 203,841,669	R 187,100,538	R 16,741,131	92%		
GRAND TOTAL	R 944,620,218	✓ R 193,956,341	R 750,663,877	21%	R 212,819,991	R 193,956,341	R 18,863,650	91%		

2.5 EXPENDITURE: PER BUSINESS UNIT

APP REPORT 2018-19 FY		YEAR TO DATE RESULTS					QUARTER 1 RESULTS				
PER BUSINESS UNIT	ANNUAL BUDGET	ACTUAL SPEND	TOTAL VARIANCE	% SPENT	QUARTERLY BUDGET	ACTUAL SPEND	TOTAL VARIANCE	% SPENT			
OFFICE OF THE CEO	R 3,370,861	R 846,117	✓ R 2,524,744	25%	R 745,215	R 846,117	- R 100,902	114%			
OFFICE OF THE COO	R 1,770,034	R 97,248	✓ R 1,672,786	5%	R 401,781	R 97,248	R 304,533	24%			
OFFICE OF THE CFO	R 8,891,043	R 2,598,549	✓ R 6,292,494	29%	R 3,380,165	R 2,598,549	R 781,616	77%			
FINANCIAL ACCOUNTING	R 20,613,775	R 3,411,137	✓ R 17,202,638	17%	R 4,852,942	R 3,411,137	R 1,441,805	70%			
CORPORATE SERVICES	R 141,242,416	R 8,791,415	R 132,451,001	6%	R 9,204,584	R 8,791,415	R 413,169	96%			
MARKETING & COMMUNICATION	R 12,256,752	R 2,860,482	✓ R 9,396,270	23%	R 2,829,599	R 2,860,482	- R 30,883	101%			
MAINTENANCE SERVICES	R 157,492,239	R 21,555,711	✓ R 135,936,528	14%	R 37,929,872	R 21,555,711	R 16,374,161	57%			
TRANSPORT SUPPORT SERVICES	R 236,785,702	R 68,901,292	✓ R 167,884,410	29%	R 62,698,888	R 68,901,292	-R 6,202,404	110%			
PERMANENT SERVICES	R 341,239,233	R 80,748,796	✓ R 260,490,437	24%	R 85,717,401	R 80,748,796	R 4,968,605	94%			
VIP POOL SERVICES	R 20,958,163	R 4,145,594	✓ R 16,812,569	20%	R 5,059,543	R 4,145,594	R 913,949	82%			
GRAND TOTAL	R 944,620,218	R 193,956,341	R 750,663,877	21%	R 212,819,991	R 193,956,341	R 18,863,650	91%			

3. NON-FINANCIAL PERFORMANCE

3.1 OVERVIEW OF PROGRAMME STRUCTURE

The performance activities of g-Fleet are reported under the following programmes:

SERVICE DELIVERY PROGRAMME	PROGRAMME STRUCTURE
1. OPERATIONAL MANAGEMENT SERVICES	PERMANENT FLEET SERVICES VIP / POOL MAINTENANCE TRANSPORT SUPPORT SERVICES ICT
2. FINANCIAL MANAGEMENT	FINANCE

3.2 SERVICE DELIVERY PERFORMANCE

3.2.1 OPERATIONAL MANAGEMENT SERVICES

STRATEGIC OUTCOME ORIENTATED GOAL 1: Provide fleet management services that are effective, efficient and client-focused

STRATEGIC OBJECTIVE 1: Provide clients with reliable and cost effective fleet.

Performance Indicator	Audited Baseline	2018/19 Annual Target	Quarter 1		Deviation from Target		Reason for Deviation	Proposed Intervention
			Planned	Actual	Unit	%		
Average age of allocated fleet	≤4 Years	≤4 Years	≤4 Years	3.5 Years	0.5	12.5%	The procurement of new vehicles and the disposal of the redundant vehicles has a positive outcome on the fleet of the entity.	N/A
Percentage of vehicles auctioned.	New KPI	80%	80%	0	n/a	-100%	The last auction for 2017/18 Financial Year was only finalised in the first quarter of 2017/18 and obtained Settlement report on the 09 th of May 2018.	To conduct an auction in the second quarter and ensure that settlement report is received timeously

SIGNED OFF:

Director: Permanent Fleet



Director: Finance




3.2.2 OPERATIONAL MANAGEMENT SERVICES

STRATEGIC OBJECTIVE 2: To provide quality and value-added client service by monitoring vehicle location and maintaining turn-around times of 20 days and achieving client satisfaction of 70%.


Performance Indicator	Audited Baseline	2018/19 Annual Target	Quarter 1		Deviation from Target		Reason for Deviation	Proposed Intervention
			Planned	Actual	Unit	%		
Percentage of in-service vehicles tracked	93%	93%	90% (6153)	90.8% (6207)	+54	+0.8%	The single source continuation contract was awarded 31 st March 2018. Total Current Fleet = 7170, less the exempt vehicles of 333=6837 100% In-Service Vehicles = 6837 Exempt Vehicles Prosecuting Authority 126 Justice 175 Premier 19 Mineral Resources 13 Total = 333	To install tracking system on all vehicles at User Departments not fitted on the old contract. Continue with having auctions every quarter to de-install and re-install tracking units.
Average turnaround time for accidents and mechanical repairs	20 Days	20 Days	20 Days	35 Days	15 Days	42%	Misalignment of accident repairs process with the service provider. Review and realignment of the accident repairs process was done, but the problem still persist.	The accident repairs process has been reviewed and realigned to improve efficiency (Gauteng Province). g-Fleet has also updated the mandate with the service provider to get the process closer to g-Fleet for better control and efficiency.

Performance Indicator	Audited Baseline	2018/19 Annual Target	Quarter 1		Deviation from Target		Reason for Deviation	Proposed Intervention
			Planned	Actual	Unit	%		
Percentage of client satisfaction level for all of Fleet's client departments.	89%	70%						

SIGNED OFF:

Director: Transport Support Services 

Director: Fleet Maintenance 

Director: Corporate Services: 

STRATEGIC OUTCOME ORIENTATED GOAL 2: Sustainable and well-governed organisation

STRATEGIC OBJECTIVE 1: Optimise return on investment.

Optimal use of the entity's assets in delivery of services that is cost effective and yield return to ensure sustainability.

Performance Indicator	Audited Baseline	2018/19 Annual Target	Quarter 1		Deviation from Target		Reason for Deviation	Proposed Intervention
			Planned	Actual	Unit	%		
Average number of business days from delivery of vehicle to active vehicle contract (permanent vehicles only)	20 business days	20 business days	20 Business days	30 Days	10	50%	The backlog of tracker fittings on the previous quarter (294) negatively affected the turnaround time on the intake of new vehicles (150). Should the tracker fitting duration be excluded, the turnaround time is 15 days.	Proposed to have tracker fitter during the pre-delivery inspection of vehicles at dealerships as well as exploring the option of licensing vehicles through manufacturers before taking delivery thereof.
Average rental utilisation of available VIP self-drive	Average rental utilisation of 67%	Average rental utilisation of 67%	Average rental utilisation of 67%	-	-	-	Target not reported on due to FIS challenges.	
Average rental utilisation of Pool fleet	Average rental utilisation of 67%	Average rental utilisation of 67%	Average rental utilisation of 67%	-	-	-	Target not reported on due to FIS challenges.	
Annual Tariff structure submitted to Treasury for approval	Reviewed Tariff submitted to Treasury for approval	Implementation of the approved tariff	Implementation of the approved tariff					
Implementation of sustainability model	Phase 1 implementation of sustainability model.	Phase 2 implementation of sustainability model	Review of tariff for 19/20 for submission to Treasury for approval.					

Performance Indicator	Audited Baseline	2018/19 Annual Target	Quarter 1		Deviation from Target		Reason for Deviation	Proposed Intervention
			Planned	Actual	Unit	%		
Percentage decrease in average debtor days	20%	20%	20%	7%	16	13%	Gauteng Department of Health (GDH), owing about R99 million which constitute 40% of total debtors. Without GDH, the entity would have reduced the average collection days by 26%	Follow up on the highest owing departments including Gauteng Department of Health

SIGNED OFF:

Director: Permanent Fleet

[Signature]

Director: VIP and Pool Services

[Signature]

(A) Director: Finance

[Signature]

Director: Corporate Services

[Signature]

**STRATEGIC OBJECTIVE 2: Engender organisational and culture change.
To build and maintain a healthy organisation with effective operations**

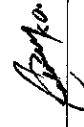
Performance Indicator	Audited Baseline	2018/19 Annual Target	Quarter 1		Deviation from Target		Reason for Deviation	Proposed Intervention
			Planned	Actual	Unit	%		
Percentage of undisputed invoices paid within 30 days from receipt of invoice.	100%	100%	100%	84%	76	16%	Incorrect scanning of documents; and late submission of invoices to finance	Engage Document Management Centre regarding scanning of claims from state attorneys. Ensure that invoices are certified within 7 days from receipt.
Audit outcome (Auditor-General)	Unqualified audit opinion	Unqualified audit for 17/18						
Implementation of ICT Strategy / Plan	Phase 1 implementation of ICT Strategy	Phase 2 implementation of ICT Strategy						
Percentage of maintenance expenditure on Gauteng township businesses (automotive)	4%	4%	4%	6% (R951 810.07)	R317 270.02	+2%	The improvement could be attributed to engagement mandate between g-Fleet and Transit Solution that has been updated. The engagement mandate ensures that Township businesses are prioritized in terms of work allocation with emphasis on black owned, women owned and youth owned businesses.	Continuous monitoring of the engagement mandate as implemented.

SIGNED OFF:

(A) Director: Finance



Deputy Director: ICT



Director: Fleet Maintenance

