

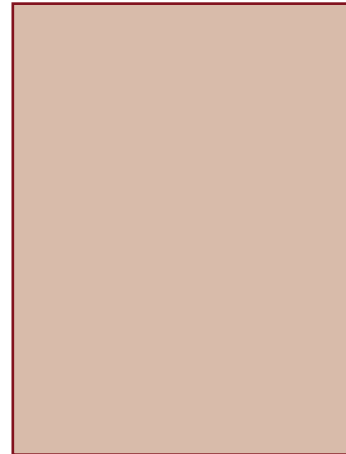
SECTION 3: FINANCIAL SERVICES



**Head: Financial Services
Mr Roger Govender**



**Senior Manager:
Financial Management
Mr Wayne Evans**



**Senior Manager: Budget
(vacant)**

CHIEF DIRECTORATE: FINANCIAL SERVICES

OPERATING ENVIRONMENT

The Department operated in an environment that was affected by an adverse rand/dollar rate, globalisation, skills shortage and a declining availability of natural gravels. The Department and indeed the construction industry in South Africa is reliant on imported plant and heavy equipment. The sharp decline of the rand against the dollar and other major currencies increased the price of the replacement plant and spares beyond that budgeted for. So also did the price of diesel and petrol. Construction and maintenance units, as well as Road Traffic Inspectorate patrol vehicles, experienced considerable difficulties in meeting their planned outputs in terms of budgets allocated.

The reserves of good natural gravels in KwaZulu-Natal are inadequate to meet the regravelling needs of the provincial gravel road network. Inefficiencies associated with the use of inferior gravels, together with haulage costs associated with appropriate but uneconomic gravel resources, now make it economically sound for the Department to consider low cost blacktop surfacing of sections of the gravel road network that accommodates only 200 vehicles per day. Currently, only roads that carry in excess of 500 vehicles per day are under consideration for blacktop surfacing.

REPORT OF THE HEAD OF DEPARTMENT

EXPENDITURE FOR THE YEAR

The actual vs budgeted expenditure per programme for the financial year ended 31 March 2002 is listed below :

Programme	Description	Budget	Actual Expenditure	Savings (Excess)
Administration	Overall management of the Department	88,656	76,387	12,269
Roads	Planning, design, construction & road maintenance	839,258	851,096	(11,838)
Road Traffic	Regulation of road traffic, law enforcement, road safety & motor licensing	159,929	158,550	1,379
Public Transport	Planning & regulation of public transport	16,670	19,704	(3,034)
Auxiliary & Associated Services	Radio communication and motor transport for the Department	8,677	9,088	(411)
Special Functions		-	2,281	(2,281)
Statutory Allocations		526	526	-
	TOTAL	1,113,716	1,117,632	(3,916)

REVENUE

The main revenue sources for the Department include registration and licensing of motor vehicles and income from Road Traffic infringements. This accounts for some 95% of the total revenue collected by the Department. Tariffs levied are governed by the Road Traffic Act.

Actual Revenue collected by the Department for the Financial Year was R405,539,000.

UTILISATION OF DONOR FUNDS

No donor funds were received for the year ending 31 March 2002

PUBLIC ENTITIES

There are two Public Entities listed on Schedule 3 of the Public Finance Management Act that report to the KwaZulu-Natal Minister of Transport:

- KwaZulu-Natal Public Transport Licensing Board (Formerly the KwaZulu-Natal Local Roads Transportation Board).

The Public Transport Licensing Board was established by the Road Transportation Act, 1977 (Act 74 of 1977) with the main objective of receiving applications for the granting of Road Transportation Permits.

- KwaZulu-Natal Taxi Council (Formerly KwaZulu-Natal Taxi Task Team).

The KwaZulu-Natal Taxi Council is a democratically elected Council established to replace the KwaZulu-Natal Taxi Task Team.

OTHER ORGANISATIONS TO WHICH TRANSFER PAYMENTS HAVE BEEN MADE

During the 2001/2 Financial Year transfer payments totalling R600,000 were made for the following purposes:

- Fencing Subsidies: Payments are made to adjacent landowners on Provincial Main Roads for the maintenance and upkeep of fencing to prevent livestock from entering the road thereby improving Road Safety.
- Local Municipalities: Maintenance of Provincial Roads that traverse built up areas with the Local Municipality.
- Local Roads: Paid to various organisations and farmers for maintenance of certain local roads.

DISCONTINUED ACTIVITIES / ACTIVITIES TO BE DISCONTINUED

The Department made no financial contribution to Umthombo Investments (Pty) Ltd this year and has discontinued all funding to this body.

NEW / PROPOSED ACTIVITIES

During the financial year the Department took responsibility for the Major and Minor works, this budget was previously controlled by the Provincial Department of Works.

PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENTS

The following financial management improvements were implemented during the financial year:

- finalisation of the timetable for the phased implementation of the Public Finance Management Act,
- the appointment of the Chief Financial Officer as the chairman of the Tender Award Committee,
- the implementation of a Monthly Management Accounts Reporting model as prescribed by Provincial Treasury. This model fulfils the financial reporting requirements of the accounting officer in terms of Public Finance Management Act,
- performance based budgeting and reporting by Responsibility Managers and co-ordinated by Directorate Monitoring and Evaluation,
- risk assessment workshops were held to identify high-risk areas,
- the appointment of a budget committee to review business plans for each directorate, and
- finalisation of the Finance Services component of the Department and appointment of appropriate financial staff.