

# REPORT OF THE HEAD OF DEPARTMENT

## Financial Services



**Chief Financial Officer:  
Mr. Roger Govender**



**Director:  
Financial Manager  
Mr. Wayne Evans**



**Director:  
Procurement  
(Vacant)**



**Director:  
Financial Accounting  
& Reporting  
(Vacant)**

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## Financial Services

### Overview

The Financial Services Component aims to provide effective, efficient and transparent financial management support to the department and to provide regular and accurate reporting to the department, Provincial Treasury and the public.

The functions of the component are to:

- provide regular, accurate and timely financial reports on the activities of the department;
- plan and manage the annual budget process;
- manage the departmental assets;
- manage departmental losses, claims from private parties and the collection of debts;
- manage and co-ordinate the departmental supply chain management process including tender award, provisioning and demand estimation;
- implement and maintain a sound internal control system; and
- provide effective and efficient financial management of the department.

### Expenditure for the year

The actual vs budgeted expenditure for the financial year ended 31 March 2003 is stated below:

Programme	Description	Budget	Actual	Savings/ (Excess)
Administration	Overall management of the department	102 416	96 884	5 532
Roads	Planning, design, construction & maintenance of the road network	877 931	877 764	167
Road Traffic	Regulation of road traffic, law enforcement, road safety and motor vehicle licensing	188 131	187 893	238
Public Transport	Planning and regulation of public transport	19 778	19 739	39
Aux and Ass Services	Radio communications and departmental motor transport	7 850	7 837	13
		1 196 632	1 190 117	5 989
Statutory Allocation		526	562	(32)
Authorised Losses		-	36 784	(36 784)
<b>Total Expenditure</b>		<b>1 196 632</b>	<b>1 227 463</b>	<b>(30 827)</b>

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### Revenue for the year

The main sources of revenue for the department are the Registration and Licensing of Motor Vehicles and income from Road Traffic Infringements. The revenue collected by the department for the year ending 31 March 2003 is as follows:

	Budget	Actual	(Excess)/ Shortfall
Motor Vehicle Registration and Licensing	350 029	438 850	(88 821)
Road Traffic Infringements	18 887	21 557	(2 670)
Other Revenue	2 965	25 449	(22 484)
<b>Total Revenue</b>	<b>371 881</b>	<b>485 856</b>	<b>(113 975)</b>

### Progress with financial management improvements

During the year the department continued with the process of implementing financial management improvements, major achievements during the year included:

- Phased implementation of financial management requirements in terms of the Public Finance Management Act and in compliance with the Treasury Regulations;
- The completion of a detailed departmental risk assessment in conjunction with the Provincial Internal Audit Unit;
- The creation of posts for Regional Financial Managers, to assist the Regional Directors with all financial matters;
- The registration of the KwaZulu-Natal Taxi Council as a Public Entity in terms of the PFMA. The Taxi Council is currently in the process of setting up the infrastructure for operation as an entity separate from the department;
- The development of a Fixed Asset Management Framework for the department, in order to optimise the asset acquisition, maintenance, utilisation and dispersal processes in use in the department; and
- Procurement reforms in relation to revised procurement legislation to support previously disadvantaged individuals (PDI's) and small, medium and micro enterprises (SMME's).
- Timeous payments to 14 800 Zibambele contractors (Labour Intensive Road Construction programme) and Vukuzakhe Emerging Contractors.