

Part 2
REPORT OF THE HEAD OF TRANSPORT

SECTION 2: PROGRAMME 1: ADMINISTRATION

Sub-programme 1.1: Office of the MEC

The beginning of the 2004/05 financial year marked the first term of Mr B. H. Cele as MEC for Transport, Community Safety and Liaison. Essentially, a challenge for the Office of the MEC has been to support the executing authority to fulfill his mandate and social contract with the citizens of KwaZulu-Natal. The all round performance of the Department has contributed to the establishment of synergies to optimise professionalism and utilisation of scarce resources.

The mandate of the Office of the MEC is:

- to support the MEC in realising his vision;
- to support the MEC in achieving the goals and objectives of the Department with commitment to the ethos of Batho Pele; and
- to build the profile and enhance the image of the MEC and the Department.

The MEC is a strong advocate of poverty alleviation and has pioneered the theme "defending the weak" through the Department's programmes. A noteworthy achievement by the Office of the MEC during the 2004/05 financial year has been effective communication and co-ordination of departmental projects. That is evident in the improved relationship with all stakeholders of the Department, including the public at large. The Office of the MEC also played an outstanding support role in meeting the demanding challenges, including visibility and accessibility of the MEC to all economic sectors of the province. The MEC's hands-on-approach is endorsed by his visibility at departmental functions, launches, scenes of accidents, visiting road accident victims, bereaved families and communities. This has undoubtedly borne testimony to his passion for "defending the weak".

Among the many achievements of the Office of the MEC is the "100% Compliance and Catching Crime on the Freeway" departmental slogans which demonstrate the Department's commitment to safe public roads.

The Department never compromises on the safety of commuters. Hence, the MEC and his office actively participated in cross cutting matters during the year under review.

The Office of the MEC acknowledges with appreciation the hard work and dedication demonstrated by the Head of Department, Dr. Kwazi Mbanjwa and the many committed departmental staff members. This team continued to support the MEC and his office to fulfill his social contract with the citizens of the province.

Sub-Programme 1.2: Corporate Support

The main purpose of this sub-programme is to provide an effective and integrated support service to the Department. Thus, the sub-programme caters for Human Resource Management and Policy and Planning Services.



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Human Resource Management

The National Skills Development Strategy is an integrated skills development system which promotes economic and social development through focusing on education, training and employment.

The Department is committed to skills development of its employees in order to achieve higher productivity and competency levels by improving access to training and education. Hence, the Department has established a Human Resource Development Sub-directorate to facilitate training and development programmes.

In response to scarce skills as a challenge, the Department awards bursaries to in-service and prospective employees. During the 2004/05 financial year, the Department awarded bursaries to a number of candidates to study Civil and Mechanical Engineering. In return for receiving financial assistance, the successful graduate(s) renders his/her services to the Department in order to pay off the bursary monies received on a year to year basis, whilst following a structured training programme.

In compliance with legislation, the Department registered with the Construction Sector Education and Training Authority (CETA) and affiliated to the Public Sector Education and Training Authority (PSETA). The Department also established a partnership with the CETA to assist with the development and implementation of the Workplace Skills Plan and Learnerships.

Competency gaps were identified within the organisation and a Workplace Skills Plan for the forthcoming financial year has been developed accordingly. Reports on training have also been submitted to CETA and PSETA.

Mentorship

The Department continued to provide practical training opportunities to third year technikon students to enable them to complete their studies. During the 2004/05 financial year, the Department's Training Centre provided mentorship to five (5) assistant engineers .

Adult Basic Education And Training (ABET)

The Department is committed to improving literacy within the organization. During the year under review, a total number of 1018 employees participated in the ABET programme. These training sessions are facilitated by qualified educators. Seventeen (17) learning centres were registered with the Independent Examination Board (IEB). To this end, three hundred and seventeen (317) learners registered and wrote examinations.

The Department celebrates International Literacy Week annually to give learners an opportunity to display what they have learnt through various activities such as stage plays, poetry, reading, etc. During the past financial year, various celebration ceremonies were held for departmental staff members. The following pictures capture learner's enjoying themselves during these celebrations.

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Employees celebrating literacy



*Employees enjoying celebrations of literacy
by displaying a stage play*

Employment Equity

The Department has also been sensitive to employment equity. It has focused more on training and development of employees from previously disadvantaged groups.

The Government has set targets for designated groups within the Public Service at Senior Management Service (SMS) level. It requires that 75% of employees at this level are black, 30% of employees to be women, and 2% disabled. To this end, the Department has 68.75% non-designated employees and approximately 25% women at this level. The representivity of designated groups from salary level nine (9) upwards has risen from 56.76% in 2003/04 financial year to 69.72% in 2004/05 financial year, and the representivity of non-designated groups over the same period has decreased from 43.24% in 2003/04 to 30.28% in the 2004/05 financial year. There

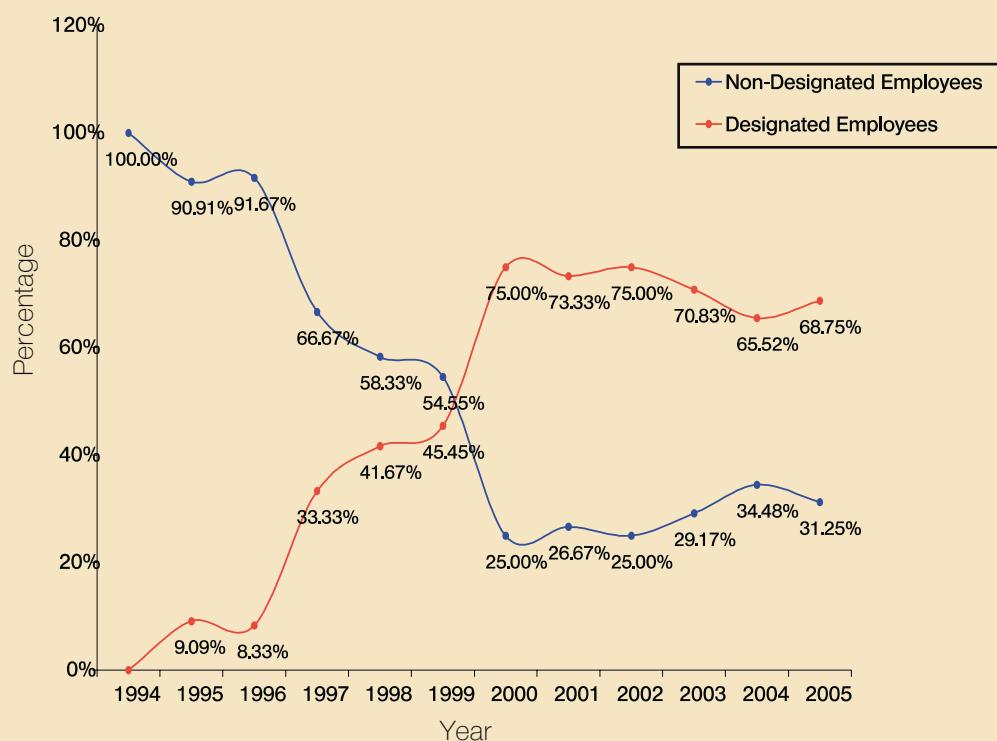
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has been a 50% increase in the representivity of designated groups in the Department at these levels since 1994 and an equivalent decrease in the representivity of non-designated groups at these levels for the same period. Below is a graphical presentation of statistics in respect of representivity from 1994/95 financial year to the time of reporting.

Comparison between Designated and Non-Designated Employees of the Senior Management Service



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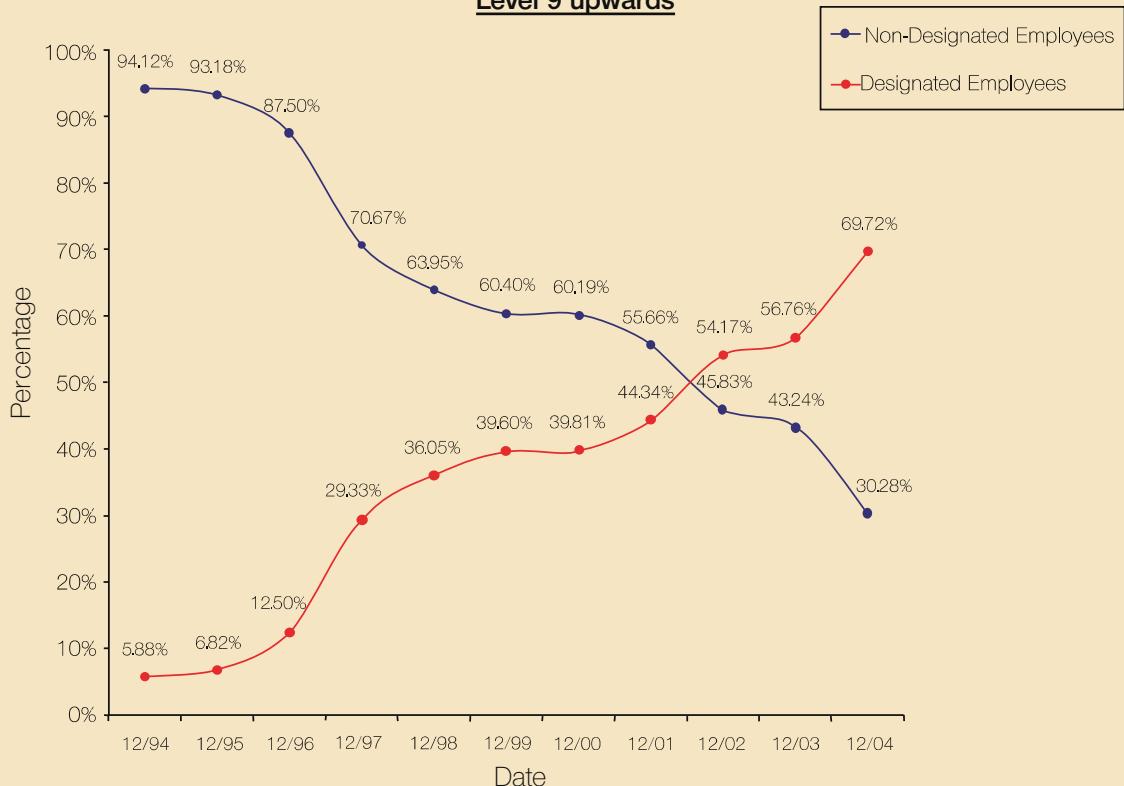
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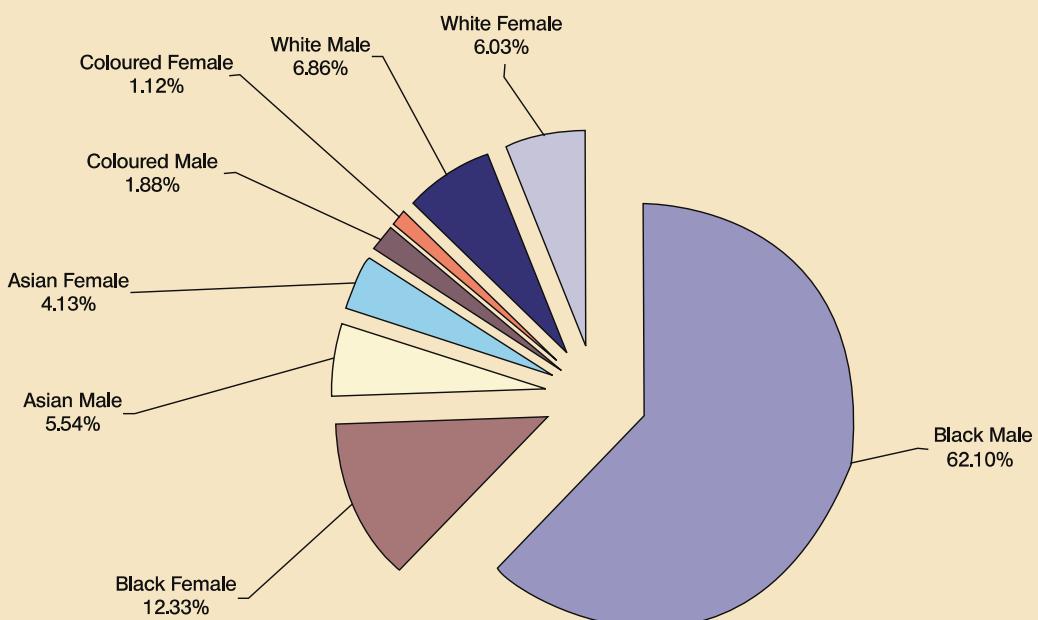
Comparison between Designated and Non-Designated Employees from Salary

Level 9 upwards



Department of Transport

Representativity Statistics as at 01 March 2005



The Department submitted its last report on Employment Equity to the Department of Labour in compliance with the Act. An audit that was conducted by the Premier's Office on Human Resource Policies and Procedures revealed that the Department has complied with all legislative requirements.

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The following table demonstrates a summary of filled and vacant posts during the 2004/05 financial year.

Table: Summary of Filled and Vacant Posts

Staff Categories	Number			Average Annual change
	2002/03	2003/04	2004/05	
Total staff complement	4333	4102	4094	(2.8%)
Number of professional and managerial posts	190	264	361	38%
Number of professional and managerial posts filled	119	159	236	41%
Number of excess staff				

Employee Assistance Programme

An Employee Assistance Programme (EAP) is a work-site based programme designed to assist in the identification and resolution of productivity problems associated with employees impaired by personal concerns, but not limited to: health, marital, family, financial, alcohol, drugs, HIV and Aids, legal, emotional, stress or other personal concerns which may adversely affect employee job satisfaction.

As the definition states, the EAP of a given department is to provide a service to ensure the well-being of employees thus increasing work productivity, improving job satisfaction and reducing absenteeism. The success of such a programme relies on the trust and confidentiality of the service and on the needs of the employees that have been identified. During the past financial year, there has been an increase in the utilisation of EAP and various projects and interventions have been undertaken. The following projects are a few among the many that had been implemented successfully by the Department.

HIV/Aids Education and Awareness Road Show

A nine (9) day Road Show was conducted throughout the Department. The purpose of the Road Show was to create an awareness of the side effects of taking medical treatment in the incorrect manner. The message was also conveyed through an Industrial Stage Play entitled, "Your Life-Your Choice" which was staged by a private company. The play focused on the advantages of a positive attitude and positive mindset on the part of the infected person.

Dr. Colleen Coetzee, a private medical practitioner and HIV specialist conducted a presentation on the Medical Model of HIV and AIDS. The presentation gave employees an insight into the virus and its effects. A wellness package provided by the Department to infected employees that disclosed their status, was also advertised.

Alcohol and Substance Abuse Workshop

A five (5) day workshop on Education and Awareness of Alcohol and Substance Abuse was conducted in each Departmental Region. It has been established that more interventions on alcohol and substance abuse needed to be made.

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16 Days of Activism of No Violence against Women and Children

The Department has an annual plan to commemorate Human Rights Day. During the 2004/05 financial year, the following initiatives were undertaken by the Department.

Domestic Violence Workshops

Workshops on non-violence against women were facilitated and attended by all interested departmental officials. The issues discussed included Women and Child Abuse, as well as HIV/AIDS and Alcohol Abuse. The Domestic Violence Act, Identification of Domestic Violence, Forms of Domestic Violence, Assistance Available, etc., were among the issues discussed.

The Department also hosted a function for female employees to acknowledge women as valuable citizens of the country. MEC B. H. Cele, Deputy Mayor Zanele Hlatshwayo, and other dignitaries were among the attendees.

World Aids Day

To commemorate World Aids Day, departmental staff held a competition on displays at regional level.

The Department also hosted an awareness campaign on alcohol and substance abuse for children. The workshop was attended mostly by children of employees.



Stage demonstration for children during presentation

Wellness Clinic

A wellness clinic was held for departmental employees by a professional medical doctor. This clinic was a success and some employees volunteered to be tested for diseases including HIV/AIDS. This resulted in a number of HIV infected officials being placed on the departmental wellness programme that has been established through the Employee Assistance Programme. It is thus evident that the Department has continued to ensure a healthy workforce.

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Labour Relations

A departmental strategic plan has been developed for Labour Relations which focuses among other issues, on the strengths and weaknesses of existing processes. Departmental Labour Relations Services were accordingly streamlined to ensure multi-skilling of staff in order to provide an efficient and effective support service to the employer as well as employees, and for speedy, amicable solutions to matters of common interest.

Office Services

The Department continued to be engaged in research and development of Service Delivery Strategies. During the past financial year, Security Controls were upgraded and two (2) surveillance cameras installed at Head Office.

The departmental main Registry Services also continued to provide an effective support service.

Real Estate

Real Estate is responsible for the acquisition of land and property for road construction, as well as office use. Essentially, the Department identifies and assesses the land before engaging in negotiations with the owners on acquisition and compensation.

Negotiations on Compensation and Notices of Expropriation were served to the respective owners within the set time frames.

The following table represents land that had been acquired during the reporting period:

Table: Expropriated Land

Road no.	Property Description	Date of Expropriation	Extent (Hectares)
1. P398-2	Port 1 of Erf 55 no. 1568	21 June 2004	1,6062 Ha
2. P398-2	Rem of Erf 54 no. 1568	21 June 2004	1,4020 Ha
3. P398-2	Port 26 of Erf 54 No. 1568	21 June 2004	0,1037 Ha
4. P398-2	Rem of Port. 1 of Erf 51 Grant No. 1565	27 Nov 2004	6,0835 Ha
5. P398-2	Rem of Port. 2 of Lot 51 Grant No. 1565	27 Nov 2004	0,4159 Ha
6. P398-2	Port 3 of Erf 51 Grant No. 1565	27 Nov 2004	0,3030 Ha
7. P398-2	Rem of Port 25 of Erf 52 Grant No. 1565	27 Nov 2004	2,7367 Ha
8. P398-2	Port 4 of Erf 51 Grant No. 1565	27 Nov 2004	0,0945 Ha
9. P398-2	The Farm Zimbali West No. 17744	27 Nov 2004	10,6846 Ha
10. P398-2	Rem of Erf 325 Port Zimbali	10 Jan 2005	0,4544 Ha

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Due to Government's commitment to provide poor communities with low cost housing, there has been an influx in the development of rural areas (farm land) into townships.

This has resulted in a significant increase in the number of requests for Certificates of Non-affection required by attorneys and relevant government departments who are registering these townships.

The Department has also successfully vested some of its owned property land to the KwaZulu-Natal Provincial Administration and more land is envisaged to be vested during the forthcoming financial year.

The Department has also successfully transferred some property land that has been acquired for national road purposes to the National Roads Agency.

The Department also assisted the public, municipalities and various government institutions regarding general property queries. During the past year, three hundred and thirteen (313) general queries had been successfully dealt with.

The Department also dealt with numerous surplus land disposal cases and anticipate an increase in sales during the forthcoming financial year. Numerous properties earmarked for future road purposes and surplus properties to road requirements are being leased to the public.

The appointment of the Manager: Corporate Support Services, Deputy Manager: Real Estate and Corporate Support, Assistant Manager: Auxiliary Services and Assistant Manager: Real Estate, further shows the commitment of the Department to achieve service excellence.

Information Technology

The following highlights outstanding progress that has been made in respect of Information Technology during the 2004/05 financial year.

Systems Development

An interim Contract Management System which has borne some fruit already, has been developed. The system has also been tested on the database for plant hire.

The server upgrade has been finalised, new applications purchased, and numerous cabling and infra-structure development projects undertaken during the 2004/05 financial year.

The following projects were also undertaken:

- An investigation into the Project Management System;
- An Integrated Document Management System, including Metro File for the Taxi Regulatory Authority and the issuing of permits;
- Improvement of Call Centre Operation; and
- Internal Technical Security has been increased and improved.

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The following projects had been planned:

- Enterprise Content Management System;
- Implementation of a Virtual Private Network;
- Project Management System; and
- Departmental Project Office.

Good Governance

During the past financial year, the Department achieved its service delivery targets and a number of administrative and technical posts were filled to ensure efficient service delivery.

A programme to train newly recruited technical staff, "Train the Trainer" was also launched. The aim of this programme is to train certain members of staff, who can, in turn, train other technical staff on basic skills of road construction and maintenance.

Members of staff in the regions have also been well trained on the principles of Batho Pele through the Department's Mission Directed Work Teams Programme. The primary aim of the programme is to develop staff to maximise their production, deliver a world class service and add value to the Department's vision.

As a result of this programme, the output on road construction and maintenance has increased and downtime of plant and machinery has decreased. Performance has been measured by quality, time, cost, innovation, supplier performance, customer satisfaction, etc. Thus, improved service delivery and outcomes has become an integral part of the organisational culture.

This is evident from the number of awards that were presented to the Department at the annual Premier's Good Governance Awards Ceremony. It is pleasing to mention that among the awards received by the Department, was an award to have the most teams in the final ten contenders since the inception of the programme in 2000. The Department also received the following awards:

- Silver Award presented to: Durban Regional Manager's Office.
- Silver Award presented to: Road Traffic Inspectorate - Durban Region.
- Bronze Award presented to: Regional Cost Centre - Durban Region.
- Bronze Award presented to: Regional Cost Centre (Stanger) - Durban Region.
- Best Practice Award presented to: Department of Transport for registering most teams since the inception of the programme in 2000.
- Best Practice Award presented to: Department of Transport for promoting a Culture of Service Excellence in Performance Management in the following programmes – Mission Directed Work Teams Programme, Zibambele Contractor Programme and the Vukuzakhe Contractor Development Programme.

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Legal Services

The Department, as an organ of State, requires legal representation concerning the rights and defence of its actions.

The high level and calibre of officials operating within the realm and scope of the Department require that the legal services offered, be of a high standard and competitive. The Department's Legal Services have dealt with a number of accident claims, disputes, and labour issues ranging from Litigation to Criminal Matters.

The Department has dealt with a total of one hundred and seventy eight (178) cases in respect of loss or debt related matters and of these eleven (11) were finalised.

There are seven (7) ongoing Labour Court matters and six (6) Arbitrations currently being addressed.

Strategic Planning:

Policy Development

Policy development is facilitated through a Departmental Policy Committee involving managers mandated by the Department's Management Committee to:

- develop guidelines for policy formulation and review;
- review existing policies;
- identify the need for new policies;
- ascertain and mitigate the financial and other impacts of policy proposals;
- approve and monitor implementation strategies of developed policies;
- ensure consultation occurs with relevant stakeholders in the development of policies; and
- ensure policies promote the goals of Government and the Department

One of the challenges for the Policy Committee has been to integrate structured and legislated policy development processes, such as Labour Relations processes, into a departmental Policy process.

During the past financial year, the committee reviewed nineteen (19) policy proposals. The following policies were finalised:

- Engineering Plant Policy – ensuring uniform and cost effective management and disposal of engineering plant.
- Black Economic Empowerment Policy – providing requirements and targets for broad based BEE.

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- Policy on the Remuneration of Engineering Consultants – a guideline to ensure uniform remuneration standards for engineering consultants.
- Cell Phone Policy – ensure uniform, cost effective and efficient systems to manage the allocation and use of departmental cellular phones.
- Provincial Land Transport Framework – a framework providing guidance to all spheres of Government on provincial land transport policies.

In order to improve accessibility of policies, an Electronic Policy Database has been developed on the Departmental Intranet.

Planning

A departmental Annual Strategic Planning Conference was held to align departmental programmes and agree on strategic and measurable objectives for strategic and annual performance plans for the 2005/06 financial year. Five (5) year Strategic and Annual Performance Plans were also compiled in consultation with stakeholders.

Departmental operational plans had been developed in order to ensure consistency with the Department's strategic goals and objectives and promote good governance.

The Department actively participated in the development of an Integrated Development Plan to ensure alignment of cross cutting issues such as plans, programmes and objectives between municipal and departmental levels.

A consultation workshop on the draft Provincial Growth and Development Strategy was also held with relevant stakeholders in the transport sector, including communities.

A Provincial Road Infrastructure Plan to update "The Road to Wealth and Job creation" document that was compiled in 1999, has been drafted. It is envisaged that extensive consultation with communities and municipalities will be undertaken in the forthcoming financial year.

Sub-Programme 1.3: Programme Support Office

Financial Management

The Department continues to identify areas of improvement in terms of financial management, valuing teamwork, sound planning and enthusiasm. Hence, there has been continuous improvement of quality, accuracy and reliability of the Department's financial management.

The Department has committed itself to fiscal and budgetary reform aimed at promoting budgetary transparency and improving financial management. Compliance with all relevant Financial Statutes and Regulations has been one of the focus areas in financial management.

A new economic reporting format and Standard Chart of Accounts has improved transparency and comprehensiveness of budgets. Thus, the overall quality of budgeting and financial management has improved in the Department.

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Loss/Debt Control

The Department's Loss Control and Debt Division facilitates the process of honoring or repudiating claims, recovering or writing off losses incurred by the Department.

During the 2004/05 financial year, more emphasis has been placed on improving communication between the relevant parties. Accordingly, all in-service debts have been timeously recovered during the year under review.

Payments

In respect of expenditure monitoring, the control, close monitoring and analysis of the Department's Monthly Expenditure Reports has ensured identification of areas with potential to over spend. Accordingly, the Department remained within its allocated budget during the financial year under review.

The Department also processes its own payments for services received and controls its imprest and banking accounts. Below, is a table that indicates key expenditure indicators.

Table: Key Expenditure Indicators

Category of expenditure	Percentages or Rands (000's)			Average Annual change
	2002	2003	2004	
Personnel expenditure as % of total expenditure	26%	22.3%	25.8%	0.1 %
Expenditure on maintenance of buildings as a % of total expenditure	0.2%	0.1%	0.65%	0.2%
Expenditure on maintenance of road infrastructure as a % of total expenditure	33.8%	39.4%	39.9%	3.1 %

Revenue

The Department prides itself in improving measurements of Revenue Collection during the past financial year. As a consequence, the departmental revenue increased during the financial year under review. The following table demonstrates good performance on revenue during the past financial year.

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Table: Departmental Revenue

Departmental Revenue R'000	Actual Collection 2003/04	Budgeted Collection 2004/05	Actual Collection 2004/05	% Deviation from Target
Current revenue	529 132	466 397	611 781	31.1%
Tax revenue	496 951	440 000	520 216	18.2%
Non-tax revenue	32 181	26 397	91 565	246.8%
Capital revenue	35 527	3 250	2 430	25.2%
Sales of capital assets	32 264	3 250	2 014	38.0%
Financial transactions	3 263		416	
Departmental revenue	564 659	469 647	614 211	30.8%

Table: Departmental Own Revenue

Departmental Own Revenue R'000	Actual Collection 2003/04	Budgeted Collection 2004/05	Actual Collection 2004/05	% Deviation from Target
Motor Vehicle Licence Tax	496 951	440 000	520 216	18,2%
Fines, Penalties	23 352	21 000	21 611	2,9%
TOTAL	520 303	461 000	541 827	17,5%

Note: Revenue for 2003/04 financial year has been restated in the 2004/05 financial year, to account for a prior year adjustment. The result of the restatement is an R8 442m decrease in revenue in 2003/04 financial year.

Payroll/Voucher Control

The Department has provided a good service to its customers in respect of terminations of service. Control measures have also been improved to ensure accuracy of pay points.

Procurement

The following table depicts the approximate rand value of contracts that were awarded during the 2004/05 financial year.

Table: Rand Value of Contracts Awarded

Contracts awarded	Value R'000	% Awarded
Departmental Contracts awarded (in terms of delegations of authority)	461 309	45%
Central Provincial Committee contracts awarded (based on recommendation by Departmental TAC)	566 924	55%
Total	1 028 233	100%

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The following diagram and tables provide more information on contracts that had been awarded during 2004/05 financial year.

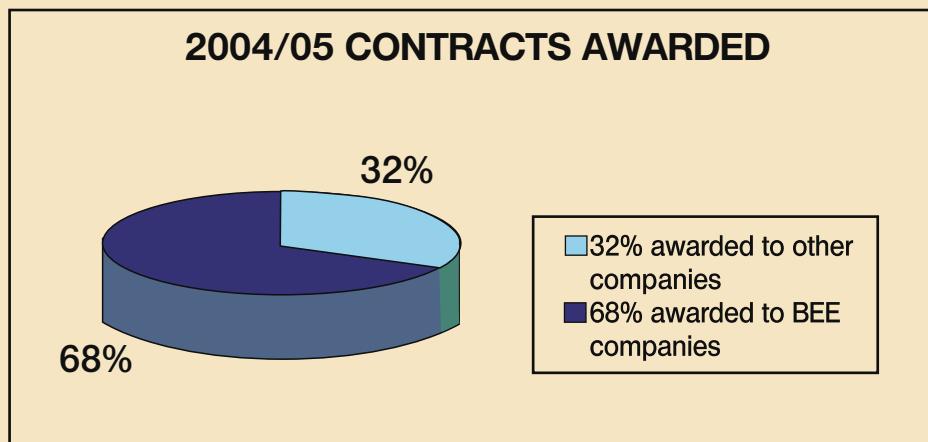


Table: Procurement

Companies	OTHER	BEE	Total
Road Building, Transportation and RTI	210 346 932	522 941 605	733 288 537
Other/Admin/ General Equipment	30 453 955	22 706 754	53 160 709
Mechanical	77 821 977	149 786 327	227 608 304
Land & Building	7783 767	112 145	7 895 912
Cleaning	000	1 359 777	1 359 777
Security	000	4 920 329	4 920 329
Total	326 406 631	701 826 937	1 028 233 568
%	32%	68%	100%



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PROGRAMME 1: ADMINISTRATION**Table: SMME/BEE AWARDS**

Encouragement of SMME Business	2001/02	2002/03	2003/04	2004/05
Number of contracts to SMME's	14909	17145	18345	24503
Total value of contracts to SMME's	321 m	464 m	705 m	530 m
% of total contracts to SMME's by value	41%	56%	63%	58%
Encouragement of BEE business				
Number of contracts to BEE	12585	13969	15226	24469
Total value of contracts to BEE	298 m	406 m	649 m	702 m
% of total contracts to BEE by value	38%	49%	58%	68%

Tender Award Committee

The Department's Tender Award Committee (TAC) has convened all its weekly meetings to ensure that contracts are awarded timeously. The Department has complied with legislation in awarding of contracts and has achieved its objectives in terms of Black Economic Empowerment.

Implementation of Supply Chain Management

There has been a challenge to shift from the Procurement System to Supply Chain Management (SCM) System during the year under review. The project has been led by Provincial Treasury. The aim is to transform the procurement and provisioning processes to an Integrated Supply Chain Management Process.

Accordingly, the Department has developed a strategy to facilitate the implementation process. In addition, the departmental structure has been reviewed to address capacity and lines of reporting that would ensure successful implementation of the system.

Although a departmental training programme has been formulated, roll out of training programmes is pending implementation of the system. However, during the financial year under review, key departmental personnel and management have attended a three (3) week intensive training on the fundamentals and effective implementation of SCM. The Department is confident and ready to implement SCM in the forthcoming financial year. Further training courses have also been planned to commence at the beginning of the 2005/06 financial year.

Financial Accounting and Reporting

The Financial Accounting and Reporting Directorate implements policies and procedures that are compliant with relevant legislation and generally accepted accounting practice. In doing so, best financial practice is achieved in the Department which results in reliable and accurate information being communicated to all users.

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Asset Management

To ensure compliance with the PFMA, among other projects, Asset Management has been prioritised during the past financial year. Hence, fixed asset planning, reporting and monitoring of assets during their useful life have become fundamental to effective management of the Department's business. Accordingly, the Department in conjunction with Provincial Treasury has implemented an electronic tool, HARDCAT, to manage and account for departmental assets.

To this end, departmental assets have been counted, tagged and captured on the electronic system. Proper training has also been co-ordinated for departmental officials who are responsible for asset management and control and a roll out of the system is envisaged to be completed in the forthcoming financial year.

Annual Financial Statements

The Annual Financial Statements for 2004/05 were prepared on an Excel template that was designed by National Treasury. This was the first time that this template was used and the Department was one of the few Departments that did not require the use of consultants. Furthermore, constructive input was given, by the Financial Accounting and Reporting staff, to National and Provincial Treasury on the shortcomings of the template, which resulted in several amendments being made to this document.

Year End Audit

This Directorate was responsible for the management and facilitation of the 2004/05 year end audit. Detailed audit files were prepared to aid the audit process.

During the audit several issues came to light, the most alarming of which was that the Auditor General had raised a total of 115 informal queries for the entire Department. Action plans are being put in place to improve the overall control environment in the Department thereby reducing the audit risk.

Internal Compliance

Internal Compliance has been established to ensure 100% compliance with administrative and financial procedures as well as to identify, investigate and report fraudulent activities.

During the 2004/05 financial year, the majority of vacant posts that existed within the internal compliance section were filled and most of the staff were subjected to extensive training.

Accordingly, all offices within the Department were inspected and reports on the status quo were issued.

