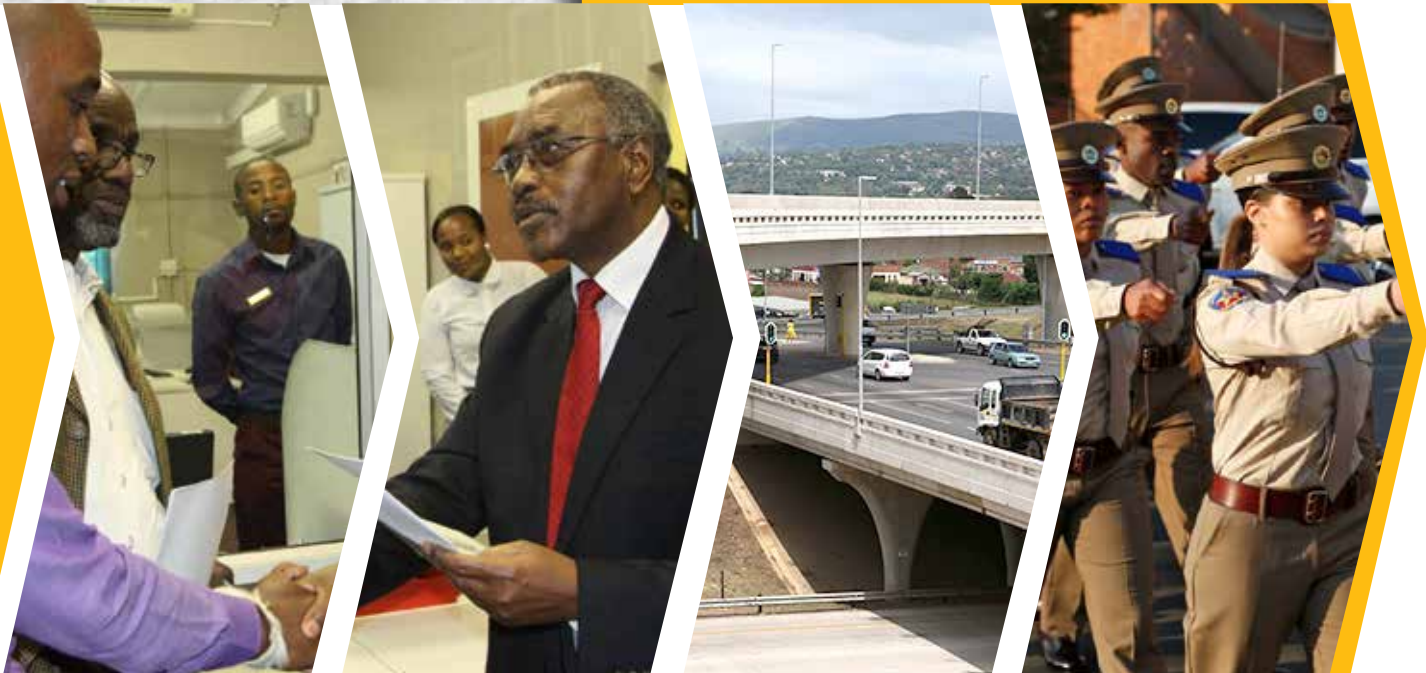


Annual Report 2015-2016

Prosperity Through Mobility.



Road Safety is our collective responsibility.



transport

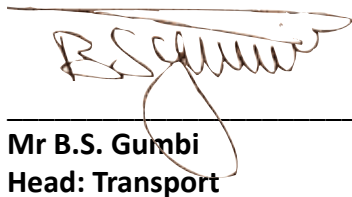
Department:
Transport
PROVINCE OF KWAZULU-NATAL



**KwaZulu-Natal Department of Transport
Annual Report 2015/16**

Mr T. W. Mchunu, MEC for Transport and Community Safety and Liaison

I have the honour of submitting the Annual Report of the Department of Transport for the period 1 April 2015 to 31 March 2016.



Mr B.S. Gumbi
Head: Transport

CONTENT



PART A: GENERAL INFORMATION

General Information	
List of Abbreviations /Acronyms.....	
Foreword by Minister/MEC of Department	
Report of the Accounting Officer.....	
Accounting Officer's Statement of Responsibility for Annual Report	
Strategic Overview	
Legislative and Other Mandates.....	
Organisational Structure	
Entities Reporting to the MEC	

PART B: PERFORMANCE INFORMATION

Overview of Departmental Performance	
Strategic Outcome Orientated Goals.....	
Performance Information by Programme	
Transfer Payments	
Conditional Grants.....	
Donor Funds	
Capital investment.....	

PART C: GOVERNANCE.....

Introduction.....	
Risk Management.....	
Fraud and Corruption	
Minimising Conflict of Interest	
Code of Conduct.....	
Health Safety and Environmental Issues	
Portfolio Committees	
SCOPA Resolutions	
Prior Modifications to audit reports.....	
Internal Control Unit	
Internal Audit and Audit Committee	
Audit Committee Report	

PART D: HUMAN RESOURCE MANAGEMENT.....

Introduction.....	
Human Resources Oversight Statistics	

PART E: FINANCIAL INFORMATION

Report of the Auditor General.....	
Annual Financial Statements.....	

3: ANNEXURES

Annexure A: Statement of Responsibility and Confirmation of Accuracy	
Annexure B: Report of the Audit Committee	
Annexure C: Specimen of the Annual Report.....	



PART A

General Information

Road Safety is our collective responsibility.



transport

Department:
Transport

PROVINCE OF KWAZULU-NATAL

Physical Address

172 Burger Street
Pietermaritzburg
3201

Postal Address

Private Bag X9043
Pietermaritzburg
3200

Contact Telephone Numbers

033- 3558600

Website Address:

www.kzntransport.gov.za

PR 307/2016

ISBN: 978-0-621-44888-7



LIST OF ABBREVIATIONS/ ACRONYMS

DPSA	Department of Public Service and Administration
eNaTIS	Electronic National Administration Traffic Information System
EHW	Employee Health and Wellness
EPMDS	Employee Performance Management and Development System
ERM	Enterprise Risk Management
EPWP	Expanded Public Works Programme
GPSSBC	General Public Service Sectorial Bargaining Council
GIAMA	Government Immovable Asset Management Act
GWEA	Government Wide Enterprise Architecture Project
HOD	Head of Department
HEI(s)	Higher Education Institutions
HIV	Human Immunodeficiency virus
HR	Human Resource
KZN	KwaZulu-Natal
LSD	Legal Services Directorate
MAS	Management Advisory Services
MTEF	Medium Term Expenditure Framework
MEC	Member of Executive Committee
NEHAWU	National Education and Allied Workers Union
OSD	Occupational Specific Dispensation
PRASA	Passenger Rail Agency of South Africa
PMDS	Performance Management and Development System
PALAMA	Public Administration Leadership and Management Academy
PSC	Public Service Commission
PSCBC	Public Service Coordinating Bargaining Council
PSI	Public Service Induction
PGDP	Provincial Growth and Development Plan
PGDPS	Provincial Growth and Development Strategy
PTOG	Public Transport Operations Grant
POPCRU	Police and Prisons Civil Rights Union
RRD	Roads for Rural Development
RNI	Roads of National Importance
RRTF	Rural Road Transport Forum
SACCO	Savings Clubs and Savings & Credit Cooperatives
SACCO	Savings and Credit Co-operatives
SETA	Sector Education and Training Authority
SMS	Senior Management Service
SARS	South African Revenue Services
SCM	Supply Chain Management
SITA	State Information Technology Agency
SIP2	Strategic Infrastructure Projects 2
TB	Tuberculosis
VECA	Vukuzakhe Emerging Contractor's Association



Strategic Overview

Vision

The department's vision is: Prosperity through mobility.

Mission statement

The Department's mission is: We will strive to provide the public with mobility through an affordable transportation system that is safe, integrated, regulated and accessible, to meet the developmental needs of our province.

Values

The values of the department emanate from the Batho Pele principles. The department's values are:

- Teamwork
- Integrity
- Commitment to serve
- Leadership
- Value for Money

Strategic outcome oriented goals

The department's strategic goals are summarised as follows:

- **Provide mobility and accessibility within the province to achieve 32,890 kilometres of maintained road infrastructure by 2020**

The department seeks, through co-operative governance, to plan, design and construct access roads and bridges (including pedestrian bridges) to communities, with the aim of improving the quality of people's lives thereby striving to achieve an equitable, balanced and well maintained road network in a manner that stimulates economic growth and development.

- **Promote an integrated transportation system through developing 3 IPTN Operational Plans.**

The department seeks to provide, promote and develop a well-managed, integrated land transportation system and infrastructure, optimising all modes of transport and to ensure accessibility for people and goods in 3 municipalities i.e. Hibiscus Coast Municipality, KwaDukuza Municipality and UMkhanyakude District Municipality. Create and promote a safe road environment by decreasing road fatalities by 30% (545/1,819) in 2020.

- **Provide and promote a safe road environment by decreasing road fatalities by 30% (545/1,819) by 2020.**

The Department seeks to provide a safe, regulated road environment for all road users (motorised and non-motorised) through Education, Enforcement, Engineering and Evaluation.

- **Promote sustainable economic transformation through developing 2 empowerment programmes.**

The department will promote and support sustainable economic transformation through empowerment programmes and policies.

Legislative and other Mandates

The key legislative mandates of the department are derived mainly from the following legislation:

- Administrative Adjudication of Road Traffic Offences Act (Act No. 46 of 1998)
- Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003)
- Cross-border Act (Act No. 4 of 1998)
- Intergovernmental Relations Framework Act (Act No. 13 of 2005)
- KZN Provincial Minibus Taxi Act (Act No. 4 of 1998)
- KZN Provincial Roads Act (Act No. 4 of 2001)
- KZN Provincial Supply Chain Management Policy Framework (2006)
- KZN Public Transport Act (Act No. 3 of 2005)
- KZN Road Traffic Act (Act No. 7 of 1997)
- National Land Transport Transition Act (Act No. 22 of 2000)
- National Roads Act (Act No. 54 of 1971)
- National Road Traffic Act (Act No. 93 of 1996)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Public Service Act (Act No. 103 of 1994) and Regulations
- Road Traffic Act (Act No. 29 of 1989)
- Road Traffic Management Corporation Act (Act No. 20 of 1999)
- The Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Construction Industry Development Board Act (Act No. 38 of 2000)
- Urban Transport Act (Act No. 78 of 1977)



ORGANOGRAM

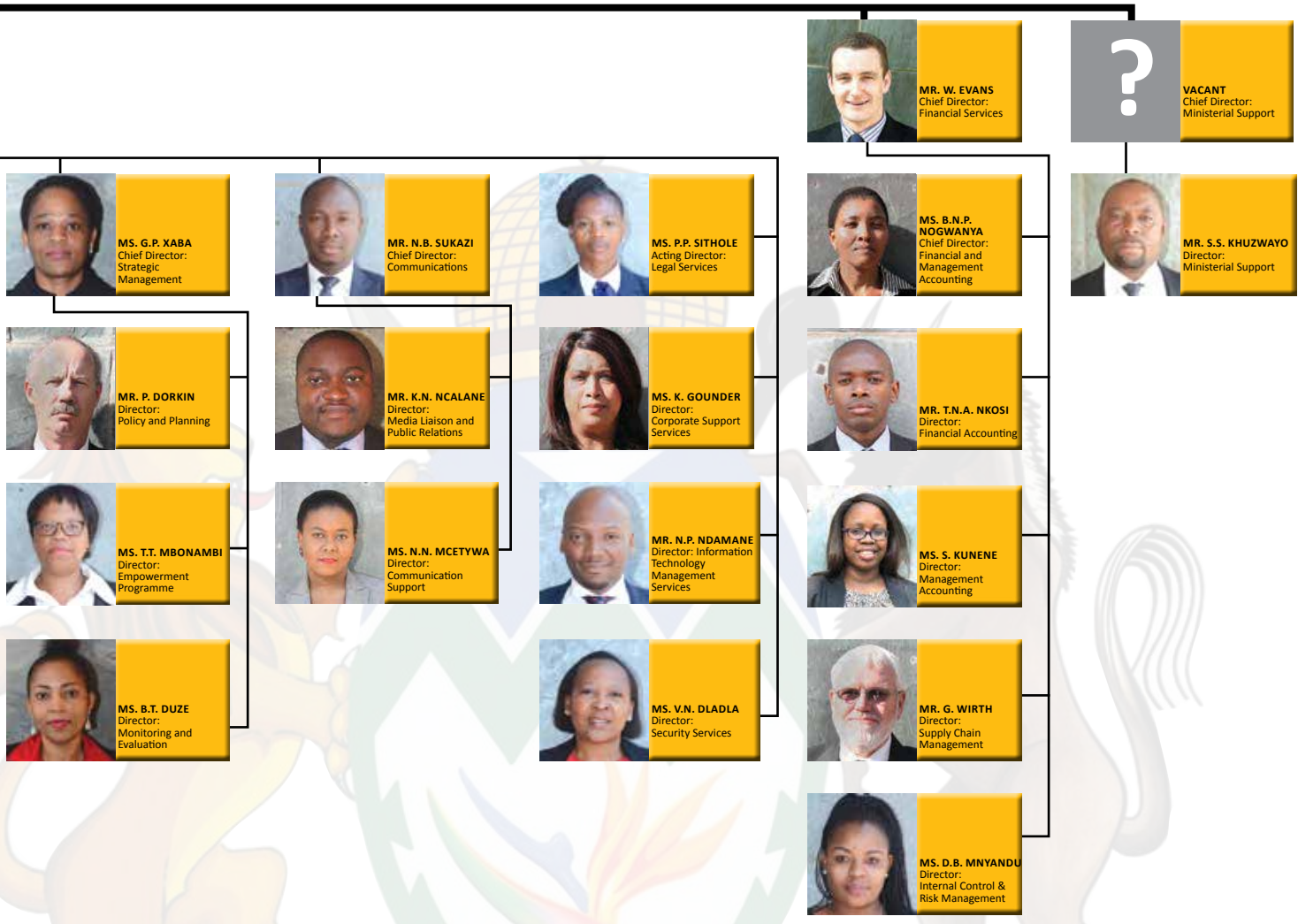
ORGANISATIONAL STRUCTRE





transport

Department:
Transport
PROVINCE OF KWAZULU-NATAL







FOREWORD BY THE MEC

Mr T.W. Mchunu

MEC: Transport, Community Safety and Liaison

The economic environment has remained depressed for most of the years I have served as the MEC for Transport, Community Safety and Liaison. This has caused our government to impose comprehensive budgetary constraints, which require extreme belt-tightening measures by departments and provinces alike. As a roads and transportation infrastructure service delivery department, we have had to do more with less, given the more than R300 million budgetary cut imposed in the current financial year. The R9.3 billion budget for 2015/16 financial year helped us continue to maintain and build roads and transportation infrastructure. However, it was not nearly sufficient to cover the maintenance backlog of our network of 8, 100 kilometres of tarred roads, which requires well in excess of R18 billion. It did not even scratch the surface in terms of upgrading our existing network of gravel roads, not to mention the new roads yet to be constructed. Similarly, our scholar transport backlog sits at an estimated R4.5 billion, for us to talk of meeting the needs of learners who travel more than three kilometres in a single trip to school, in the province.

More innovation, planning and prioritisation will be required to advance service delivery, in line with our mandate of providing KwaZulu-Natal citizens with mobility through a transportation system that is safe, integrated, regulated and accessible to meet our developmental objectives. This mandate, of course, is tightly aligned to the National Development Plan 2030 and the Provincial Growth and Development Plan 2030.

The fact is citizens essentially see us as responsible for building roads and bridges, providing increased access to public transport, efficiently administrating licensing services, and ensuring there's sufficient law enforcement to save people's lives on our roads.

To this end, we must continue to build on the progress already made. This means we should extend the upgrade of more than 500 kilometres of tarred roads, which were previously gravel, which we have built since 2009. We also have to expand the rehabilitation of roads, as part of our maintenance plans, and exceed the achievement of more than the 1 860 kilometres of roads, which we were able to rehabilitate in the last seven years. Similarly, many rural communities expect us to construct, from scratch, thousands of kilometres more of new gravel roads. They also want more than the 100 pedestrian and vehicular bridges we managed to build.

Accordingly, we must remain steadfast in our resolve to extend services, as per our mandate. In terms of public transport, we must ensure we have an effective regulation regime. All operators and motorists on our roads should only be those who have valid licences, given them the right to be there. This is very critical to ensuring effective law enforcement and safety on our roads.

We must put an end to the blatant disregard of the rule of law. As individuals and a collective, we carry the responsibility of moulding a winning nation, whose citizens are law abiding, caring and patriotic. This is an appeal to our national consciousness to do right, so as to save lives on our roads and communities. It is also a call to contribute constructively to deepening our democracy, and building a non-racial, non-sexist, equal and prosperous country, we all desire.

Finally, we also need to scale up our implementation of the radical economic transformation programme. This rests on a number of pillars, including critically the transformation of the mind-set and skillset of the civil servant to one that is an activist for change in the service of the nation.



It also entails fast-tracking the transformative programmes such as Expanded Public Works programme, through which the department has managed to create an estimated 40 000 jobs per annum, over the years.

In terms of our roads infrastructure programme, we aim to continue beefing up our service delivery capacity by leveraging appropriate external expertise where required. Our emphasis is to ensure that there is a fair and equitable distribution of work and wealth. This should also help with improving budget and service delivery project management. The department has a lot of work to do going forward and confronted by several constraints. However, for this department to perform against its set targets and deliver on its mandate, it is crucial that we all commit to playing our respective roles with dedication.

Mr. T.W. Mchunu
MEC for Transport, Community Safety and Liaison



REPORT OF THE ACCOUNTING OFFICER



Our department has continued to be preoccupied by the key issues of roads and transportation infrastructure backlog, peace and stability in the taxi industry, the persisting road carnage, and socio-economic transformation.

While understanding that the financial years 2016/17 to 2018/19, represent a financially challenging medium-term, we are called upon, and expected to, deliver against all of these critical service delivery priorities. We must ensure that we remain tightly aligned to the National Development Plan 2030 and the Provincial Growth and Development Plan, in our programmatic approach to service delivery, as captured in our Strategic Plan and Annual Operations Plans. We must also keep a clear focus on aligning and gearing up to delivering against the national priorities of job creation, skills development, infrastructure development, and fighting corruption.

These include supporting the provincial, extended priorities, which are growth sectors such as agriculture, manufacturing and tourism. Aided by the supportive and visionary leadership of our MEC Willie Mchunu, we continued to plan for our infrastructure projects with a clear plan to connect communities. As such, our roads network was improved to connect more communities, all round, meaning that roads are increasingly linking to each other from local to municipal, district, provincial and major national corridors. And while doing that, the citizens' lives have changed for the better. KwaZulu-Natal is one of the provinces with the largest, rural land area, with a huge infrastructure backlog.

Among our projects are road upgrades from gravel to tar, implemented across the districts and traversing heritage, tourism, agricultural routes and connecting to major corridors, the N2 and N3. We extended the roads infrastructure while scaling up our efforts to address the shortage of technical skills and the aging workforce.

We did this by continuing to invest more in learnerships and internships, as well as bursaries focusing on beefing up our technical civil and construction engineering skills, among others. We are making progress in our commitment to implement the radical socio-economic transformation programme, focusing on road infrastructure and subsidised bus services.

We are also reengineering our organisational structure and have developed, for the first time, a Service Delivery Model, that should gear us up to improve our outputs. We are continuing to improve our systems and processes, including our Supply Chain Management (SCM), working with the Provincial Treasury. A functionally effective SCM is, of course, central to ensuring good governance and socio-economic transformation, and is best measured through the attainment of a clean audit, which has eluded us in the last couple of years. To regain our clean audit status will require individual and collective effort, and processes are already in place to ensure that we turn the corner.

In this regard, we will also continue to beef up our internal control and risk management and Information and Communications Technology capabilities, which collectively must play the strategic role of helping us advance systems and processes to attain good governance. Amidst a global economic slowdown, we are seeking to be innovative, cost effective and efficient in our approach to service delivery.

Mr. B.S. Gumbi
Head: Transport



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 in the annual report is consistent with the annual financial statements audited by the Auditor-General.

The annual report is complete and is free from any omissions. It has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

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

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

The Accounting Officer is also responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance with regard to

the integrity and reliability of the performance and human resources (HR) information as well as 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 and HR information as well as the financial affairs of the department for the financial year ended 31 March 2016. .

Mr. B.S. Gumbi
Head: Transport
31 May 2016



PART B

Performance Information

Road Safety is our collective responsibility.

OVERVIEW OF THE PERFORMANCE OF THE DEPARTMENT

• Service Delivery Environment

The Department remains committed to fulfilling and supporting government's mandates especially those in respect of job creation, poverty alleviation, empowerment, transformation and infrastructure development as these particular priorities are within our spheres of control and they directly influence our core functions and activities.

- It must be stated at the outset that the outcome of the 2016 Local Government Elections will have an impact on existing plans as new political leadership may direct that plans be changed to suit community requests and political priorities.
- Our primary infrastructure activities remain centred on road infrastructure development in the rural areas as we strive to create an equitable and maintained road network through our programmes such as "Operation kuShunquthuli"; the Zibambele Programme and the Vukuzakhe Emerging Contractor Development Programme.
- The Department also acknowledges the pivotal role we play in infrastructure development that promote and unlock the economic potential of the country. With Durban being the largest and busiest port on the African continent, it is essential that the required transport infrastructure be maintained adequately to support economic development.
- We recognise the critical role we play in linking the rural communities to the provincial nucleus of activity and to social and educational services. Hence projects that facilitate and support such a critical role are paramount on the Department's list of priorities. These catalytic projects will facilitate the Department achieving the strategic goal of providing access and mobility within the Province, where the priority is in the rural areas.
- Our programmes, policies and activities are also geared so that we are in full support of provincial priority areas and objectives such as those of the Operation Sukuma Sakhe Programme that seek to institute food security; fight disease and poverty; to empower women, youth and people living with disabilities; and to instil behavioural change amongst the citizens of the Province.
- The current devastating and crippling drought that is being experienced in the Province, has had a major negative effect on some of the Department's projects, eg. blading of roads. The drought has necessitated that water be hauled to drought-stricken areas so that certain projects can still be executed. The situation is exacerbated by ensuring that we keep water resources for human consumption. The WULA provisions also require applicants to stipulate the volumes of water to be extracted from surrounding water sources during construction and if the area is badly affected by drought then the application is unsuccessful which can severely delay the start of the project.
- The Department's constraints in respect of funding are exacerbated by the requirements for making financial provision, in the form of a monetary deposit with the Department of Environmental Affairs for the rehabilitation of borrow pits. These funds could be better utilised to deliver services.
- The difficulty in obtaining borrow pit permits due to financial guarantees places a challenge to the Department. There is a two month window from when a borrow pit permit is lodged to when the financial guarantee has to be available for the permit to be processed. If finance is not made available timeously, the application has to be re-submitted as it expires.
- Community expectations and co-operation is always a challenge. This situation is already evident by the impact of the demands/influence by communities on how we execute our projects through service delivery protests.
- The challenge of access to quarries is also a social threat as Departmental staff are regularly chased out from borrow pits from where we access gravel material. Staff are also faced with the threat of getting locked in at quarries where we are permitted to operate by the communities and local leadership.
- The blurring of roles and responsibilities for roads between the Department and the municipalities poses as a concern as the Department is becoming increasingly involved in projects on urban access roads within dense settlement areas. However once these roles are clarified and municipalities are capacitated to deal with their responsibilities, the situation should improve.
- The Department is faced with a situation of uncoordinated planning outside of the formal urban areas regarding the provision of mobility routes and access roads, with adequate road reserve width. Consultation is required with the municipal planners and communities on the identification and reservation of land for road reserves.
- Government's mandate of economic transformation remains a priority for the Department through one of our strategic goals of promoting sustainable economic transformation in the transportation sector. The implementation of the Public Transport Transformation Strategy which provides for the incorporation of all modes of transport into the public transport subsidised contracts is an outcome of this key mandate. As a result of this Strategy taxi operators and small bus owners will have ownership in their operating companies and participate intimately and effectively in the management and operations of their businesses.
- The safety of people using our Province's roads will always remain our top priority as the devastating effects of loss of lives are catastrophic. Hence the Department's efforts at improving road safety through our many strategies and programmes in the public transport and law enforcement units will continue to be intensified despite the many challenges faced. Ultimately the safety of our road users continues to be a priority for the Department.
- A major challenge to our Department, is the safety of our staff in the public transport enforcement unit which is severely compromised due to the volatile environment and constant threats from the taxi industry.
- The Department continues supporting government's mandate of job creation, creating sustainable communities,



- eliminating poverty and promoting economic transformation through all our policies, activities and programmes.
- Service Delivery Improvement Plan
 - The KwaZulu-Natal Department of Transport developed
 - a comprehensive SDIP for 2015/16/ to 2017/18. This process was in line with all DPSA requirements and gave a focused approach in improving service delivery areas linked to the
- Batho Pele Principles.
- The current challenges in relation to key services were identified including root causes.
 - Identified Service Delivery Areas for Improvement and linkages between to the Strategic Goal, Strategic Objectives, Departmental Programme and Sub Programme.

Challenge: Problem Statement	Sub Programme	Programme
1) The pace of economic transformation in the Transportation sector is unsatisfactory	Community Development	Community Based Programme
2) Lack of Public Transport Facilities	Construction	Transport Infrastructure
3) Prevalence of high accidents and fatalities on the KZN Roads	Transport Safety & Compliance	Transport Operation
	Traffic Law Enforcement	Transport Regulation



Status Quo					Improvement Areas		
Challenge: Problem Statement	Service Rendered that currently addresses the challenge	Strategic goal	Strategic Objectives	Programme	Programme	Possible Areas of where this can be expanded	
The pace of economic transformation in the Transportation sector is unsatisfactory	Training and development of emerging contractors through mentorships and organisational training	1, 2 & 5	<ul style="list-style-type: none"> An affordable, balanced and equitable transport network. Affordable transport infrastructure maintenance. Support economic transformation within the transportation sector by awarding 75% of contracts to emerging HDI owned enterprises. 	Community based Programme	Community Development	Apart from road, & bridge construction and maintenance, identify other infrastructure projects that can be undertaken by EMC e.g. Construction of transport facilitates e.g. bus shelters.	Transport Infrastructure
						New intervention, Construction of non-motorised facilitates by EMC; Will this be awarded to one big company (include EPWP principles).	Transport Infrastructure
						New intervention Apart from handing over bicycles to student expand NMT to include other transport needs example transport of passengers within CBD and delivery services e.g. groceries, courier service and the like.	Transport Operations
						New intervention Areas within Freight industry. Discussion needed, what projects are available and what are implemented and reported in terms of the EPWP. This appears in summary in the APP more info required.	Transport Operations
						Bus subsidies, 37 companies are currently subsidised. New intervention - Expand the subsidies. Roll out of the transformation strategy of the bus industry.	Transport Operations
						Areas within the Taxi industry number of training interventions conducted "This is included in the APP in summary version" establish what training e.g. customer care, business management etc. No targets and implementation plan. Progress is not reported on the QPR and measured.	Transport Regulation
						New intervention Maintenance and annual inspection of Departmental pool vehicles. How is this executed (can EPWP principles be included and EMC suppliers for maintenance and repairs). This needs to be measured and reported on.	Administration



Status Quo						Improvement Areas	
Challenge: Problem Statement	Service Rendered that currently addresses the challenge	Strategic goal	Strategic Objectives	Programme	Programme	Possible Areas of where this can be expanded	Programme
Lack of public transport facilities	Provision of public transport infrastructure Facilities	1 & 3	<ul style="list-style-type: none"> A safe and Integrated Transport System. Support economic transformation within the transportation sector by awarding 75% of contracts to emerging HDI owned enterprises. 	Transport Infrastructure	Construction	Use EMC in the construction of transport facilities e.g. bus shelters and EPWP principles LIC in construction of NMT facilities.	Transport Infrastructure
Prevalence of high accidents and fatalities on the KZN Roads	Conduct traffic & public transport safety through public education & awareness. Law enforcement. Mediate and regulate conflict in the industry.	4	<ul style="list-style-type: none"> A safe road environment through effective regulation and law enforcement. 	Transport Operation	Traffic Law Enforcement	RTI & PTES should focus on conviction rates and measure convictions.	Transport Regulation

Organisational environment

- The issue of women, youth and disability advocacy are key mandates that continue to be dominant in all Departmental programmes, policies and functions especially in those relating to the employment of labour in infrastructure construction and maintenance projects.
- The Department will continue to consciously give preference to both women and people with disabilities when filling vacant posts.
- The Department’s unrelenting challenge in respect of the shortage of skills, particularly in the technical and engineering fields, continues to be a bane to our operations. The continual attrition of staff due to retirements; higher salaries offered by the private sector and some municipalities; and head hunting by other departments continue to place pressure on service delivery. This situation is aggravated by some employees job hopping without spending adequate periods of time in a particular field to allow themselves to gain some sort of expertise in that field. The Department’s efforts at addressing this challenge of skills shortages continue through the following measures:
 - implementation of the Department’s Retention Policy and Strategies;
 - implementation of the Occupational Specific Dispensation for Engineers and Related Occupations;
 - training programmes;
 - formalising mentorship programmes; and
 - awarding bursaries to students in the engineering and technical fields.
- The amendments to the new Labour Relations Act which came into effect on 1 April 2015, in respect of contract employees,

- has placed added burden on the Department in respect of capacity. The latest amended Act limits the employment of staff “additional to the establishment” to periods not longer than 3 months. This is to avoid situations where a legitimate expectation is deemed to have been created for permanent employment of these contract staff. This has exacerbated the current situation of staff shortages created by staff attrition and the moratorium on the filling of posts.
- The delay in finalising the Department’s organisational structure in respect of posts from salary level 12 and below is a huge constraint to service delivery with existing staff having to operate beyond limits and some functions remaining partially unattended to due to posts being vacant. For example, the Department cannot comply with Safety, Health, Environment, Risk and Quality (SHERQ) and Occupational Health and Safety standards as Departmental practitioners are not trained in this field. However it is envisaged that as some key senior management posts have been filled, the situation would ease somewhat as this would hasten the finalisation of the organisational structure.
- The department has also implemented measures related to the high vacancy rate that exists in the department. At present 29% of posts in the Department are vacant which places immense burden on staff to deliver. The latest Treasury Circular No PT 10 of 2016/17 Issuing of Updated Cost-Cutting Measures instructs department to freeze all vacant non-OSD posts and stipulates that departments can only fill posts that have become vacant after 31 January 2016. This directive will exacerbate the current pressures due to the vacancy rate.
- Nonetheless, in an effort to address this challenge, we will be implementing the following measures:
 - targeted advertising for entry level posts;
 - limiting periods of acting appointments up to 2 months;



- possibly outsourcing the function of conducting previous employment checks of prospective employees;
- weekly reports on recruitment and selection processes;
- commencement of recruitment processes within two weeks of a post becoming vacant; and
- decentralisation of the recruitment process.

The appointment of the new Director: Information Technology Management Services is of particular significance to the Department as the newly developed ICT Strategic Plan will begin to see fruition as he will drive the processes in that regard and critical posts within the information technology component can now be filled.

The Department's decision to consolidate all Departmental transport liaison structures that are linked to a ward level has proved effective as a means to comprehensively deal with all transportation matters in a holistic and consultative manner. We will continue working closely with our structures as we forge ahead in our projects.

Key policy developments and legislative changes:

- Recently there has been changes to existing policies, strategies and plans that have either impacted upon or supplemented the Departmental policies and plans. These are summarised below:
- African Union (AU) Agenda, 2063 – The AU Agenda has ten priority action areas of which Priority Action Area 4 (Connectivity through World Class Infrastructure) has the most direct bearing on the Department. Needless to say, we will continue with plans and projects in respect of the road network, corridor development and freight management which will have an impact on this mandate.
- Transforming our World: The 2030 Agenda for Sustainable Development; 2015 – The 17 Sustainable Development Goals and 169 targets were developed in response to the time frame being reached on the Millennium Development Goals, to build on these MDGs and to provide a plan to achieve those MDGs that were not realised.
- The Department is already compliant with the AU Agenda and finds these goals, especially those relating to poverty eradication; rural development; gender equality and women's empowerment; economic growth, decent work for all; sustainable transport, adding impetus to our priorities, plans and projects.
- National Youth Policy 2015-2020 and National Youth Plan; 2020 – The NYP (2015-2020) supersedes the NYP of 2009-2014. The focus areas of the latter two documents is aimed at addressing the imbalances of apartheid while addressing the challenges facing the youth in the country and consolidating and integrating youth development into the mainstream of government policies and programmes. The Policy seeks to create an environment that enables the youth people of South Africa to reach their potential, as a large percentage of youth are involved in road crashes.
- These documents also acknowledge that the country still has to undertake more activities to address some challenges raised in the preceding policy. The provisions of this policy are already carried through our existing strategic goals, objectives, policies, plans and projects. Our Department's strategies and targets in respect of the EPWP, skills development; job creation; internship and mentoring plans; economic transformation; enterprise empowerment have specific focus and targets in respect of youth. We will strive to ensure that these targets are realised in support of the NYP.

- KZN Provincial Growth and Development Plan, 2015 – The PGDP has been updated and approved for implementation with effect from August 2015 following the conception of Operation Phakisa. The amended PGDP reaffirms our priorities in respect of road infrastructure development and maintenance. We will be continuing with our responsibilities in respect of Strategic Goal 4: Strategic Infrastructure.
- KZN Poverty Eradication Master Plan, 2014 (PEMP) – This plan is aligned to national and provincial imperatives and has a targeted approach to eradicate poverty by increasing the economy through job creation. The PEMP also aims to strengthen support to vulnerable sectors of society (people living with disabilities) in an effort to reduce poverty. One of the challenges identified in the plan is that "infrastructure is poorly located, under-maintained and insufficient to foster high growth".
- This is a challenge that has already been identified in our Department and our infrastructure corridor development, construction and maintenance activities are centred on the creation of a well maintained and equitable network.
- The PEMP identifies 5 pillars that will clearly support its mandate, two of which are Enterprise Development (focussing on "cooperatives and SMMEs, access to finance and information as well as affordable ICT") and Employment Creation (focusing on "partnering with private sector at the local and district levels to speed economic growth and private sector employment, rural tourism and infrastructure"). These two pillars as well as their supporting game-changers of Build KZH: Construction; and Rural Infrastructure Development; respectively, are areas already contained within our Departmental plans, policies and priorities. Hence we will continue with our activities which will also now promote the aims of the PEMP.
- The Construction Regulations; 2014, Gazette 37305 to the Occupational Health and Safety Act; 1993 (Act No 85 of 1993) – These Regulations were promulgated on 7 February 2014. This Gazette has impacted on the Department adversely in respect of the effective and efficient execution of the Department's maintenance and capital projects as the Regulations require the application for a Construction Work Permit prior to any work being undertaken. This is to be phased in over the next few years.

This is illustrated as follows:

- **Phase 1:** A client who intends to have construction work carried out, must at least 30 days before that work is to be carried out apply to the provincial director in writing for a construction work permit to perform construction work if the intended construction works contract is a value equal to or exceed R130 million or Construction Industry Development Board (CIDB) 9. This will be in effect from 7 August 2015 until 6 February 2017.
- **Phase 2:** A client who intends to have construction work carried out, must at least 30 days before that work is to be carried out apply to the provincial director in writing for a construction work permit to perform construction work if the intended construction works contract is a value equal to or exceed R40 million or Construction Industry Development Board (CIDB) 8. This will be in effect from 7 February 2017 until 6 August 2018.
- **Phase 3:** A client who intends to have construction work carried out, must at least 30 days before that work is to be carried out apply to the provincial director in writing for a construction work permit to perform construction work if the intended construction work will:



- Exceed 365 days;
- Involve more than 3600 person days of construction work; or
- The works contract is a value equal to or exceed R30 million or Construction Industry Development Board (CIDB) 7.
- This will come into effect from 7 August 2018.
- Strategic Outcome Oriented Goals
- The strategic outcome oriented goals of the department are as follows:
- Provide mobility and accessibility within the Province to achieve 32,890 kilometres of maintained road infrastructure by 2020.
- Promote an integrated transportation system through developing 3 IPTN Operational Plans.
- Create and promote a safe road environment by decreasing road fatalities by 30% (545/1,819) in 2020.
- Promote sustainable economic transformation through developing 2 empowerment programmes.

PERFORMANCE INFORMATION BY PROGRAMME

Programme 1: Administration

Purpose

The purpose of this programme is to provide the department with the overall management and administrative, strategic, financial and corporate support services including HR, labour relations and legal services.

This programme consists of four sub-programmes namely: Office of the MEC, Management, Corporate Support and Departmental Strategy.

Recent Outputs

The organisational structure processes underwent repriorisation in light of the latest moratorium on the filling of vacant posts. The process to fill very critical posts is underway. A total of 342 posts were filled in the last financial year. Critically, all of the posts filled reflected a commitment to employment equity.

Women of all races occupying posts at Senior Management Service levels remained steady at 50 percent. Women made up 45.68 percent in the entire department. People with disabilities made up 0.71 percent, up from 0.69 percent.

Efforts to improve our audit performance continue with the implementation of the department's Audit Improvement Strategy. This will further receive a boost with the implementation of the Treasury-led electronic procurement system and the implementation of the Central Suppliers Database by the National Treasury. These systems will also cut out potential collusion between officials and service providers, and improve Supply Chain Management processes.

Programme Performance Measures	Target for 2015/16 as per Annual Performance Plan (APP)	Final outputs for 2015/16	Comments
% of KPA 1 MPAT standards that are at level 3 or 4 from the previous cycle	100	71	The Department obtained AG findings on the reliability of reported performance information
% of KPA 2 MPAT standards that are at level 3 or 4 from the previous cycle	60	40	The under achievement was due to a number of standards that require improvement, i.e. the absence of the Whistleblowing Implementation plan, proper assessment of fraud and corruption, and risk assessment. Absence of dates on minutes of Internal Audit Committee, lack of evidence to support the existence of the ICT Operations Plan as well as the lack of translation of the Section 14 manual into more than one language
% of KPA 3 MPAT standards that are at level 3 or 4 from the previous cycle	50	27	The budget to implement the structure far exceeds the allocated compensation budget. The target of 5% interns was not met by the Department. Minutes of the MANCO meetings did not reflect exit reports. Approved delegations were not in prescribed format. The Department did not meet the minimum target of 2% for PWDs employed. Non-compliance by SMS members with the due dates for submission of Performance Agreements
% of KPA 4 MPAT standards that are at level 3 or 4 from the previous cycle	80	78	The Department did not adhere to the payment of invoices within 30 days. The Department did not obtain a clean audit
% of KPA 5 MPAT standards that are at level 3 or 4 from the previous cycle	100	100	Target achieved



LINKING PERFORMANCE WITH BUDGETS

Programme/ Sub Programme	2015/16			2014/15		
	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
Administration						
Office of the MEC	11 891	11 891	-	12 001	12 001	-
Management	14 188	14 188	-	7550	7550	-
Corporate Support	262 800	262 800	-	222 105	222 105	-
Departmental Strategy	17 142	17 142	-	17 316	17 316	-
Total	306 021	306 021	-	258 972	258 972	-

PROGRAMME 2: TRANSPORT INFRASTRUCTURE OVERVIEW

Background

One of the core functions of department is to construct and maintain a balanced road network that complies with the Provincial Growth and Development Strategy.

Programme 2: Transport Infrastructure executes the implementation of various programmes, which includes the construction, maintenance and repair of the Provincial Network.

This programme's functions are aligned to achieve the department's Strategic Goal 1, which is to provide mobility and accessibility within the province to achieve 32,890 kilometres of maintained road infrastructure by 2020.

The department's goal is to seek, through co-operative governance, to plan, design and construct access roads and bridges (including pedestrian bridges) to communities, with the aim of improving the quality of people's lives thereby striving to achieve an equitable, balanced and well maintained road network in a manner that stimulates economic growth and development.

In order to achieve the department's overall Strategic Goal 1, Programme 2 therefore has the following two strategic objectives:

- To construct 1 090 kilometres of new gravel roads and 65 bridges to provide an affordable, balanced and equitable transport network by the 2019/2020 financial year and;
- To intensively maintain the road network so that poor to very poor condition of the road network is reduced to 30% by the 2019/2020 financial year.

The need for road infrastructure arises from the fact that there is a greater need for accessibility and smooth movement of abundant agricultural products especially from the rural areas to the markets in urban centres, and the movement of essential services to rural areas. The continuous maintenance and improvement of the transportation network in this regard thus becomes imperative.

Transport Infrastructure Programmes:

Road infrastructure is critical for socio economic development of rural areas as it improves the quality of life of the people in these underdeveloped communities. With improved roads infrastructure, these rural communities enjoy increased mobility as they connect to other communities across difficult terrain and rivers because of newly built bridges such as Nsuze River Bridge in Nkandla.

They also enjoy access to major routes and amenities such as clinics, hospitals, schools, pension and social assistance paypoints, workplaces and shopping centres.

It also plays an important dual role in the economy, both as a direct provider of services and as a catalyst for economic integration, redistribution and development.

The Zibambele Roads Maintenance programme assists with maintenance as well as poverty alleviation efforts, in line with the national effort of tackling the triple challenges of unemployment, poverty and inequality.

In addition to the existing regulatory framework that supports emerging contractors, through the Vukuzakhe Emerging Contractor Programme, Transport Infrastructure has completed the planning and documentation process for the implementation of a Radical Transformation Programme. This is a strategic initiative that aims to eradicate the inequality of the distribution of work in the Province, by the implementation of the following 3 sub-programmes; a Contractor Development Programme(CDP), a Contractor Participant Goal (CPG) Programme, and a Biennial (Term) Contract, all prioritised to commence in the 2016/17 financial year.

- The CDP Programme is a developmental programme, which is aimed at enhancing the skills of HDI contractors in grades 1-7 Civil Engineering Sector within each of the KZNDOT Provincial Regions. The contractors that qualify for the programme database, will be expected to tender and execute road infrastructure projects over a certain period, whilst benefitting from the support services provided by the programme. The contractor development programme will consist of Business Development Support Services, Technical and Business mentorship.
- The CPG Programme will dictate that that a minimum of 30% of a contract value, for contracts awarded to contractors from 8CE to 9CE, must be sub-contracted to HDI contractors within the KZN Province. The Department will commence with this process of ensuring that contractors comply with the CPG Programme for contracts ready for award in the first quarter of the 2016/17 financial year. These contracts will be closely monitored by the Department to ensure that the main contractor and relevant sub-contractors are adhering to the



requirements and objectives of the CPG Programme

- Transport Infrastructure reviewed the current Annual/ Biennial Contracts within the Department and will propose a singular Biennial or Term Contract will consolidate all the annual and biennial contracts currently in use by the Department.

This will be implemented to:

- eradicate the serious time delays currently being experienced in the renewal of the various annual contracts, which impacts on service delivery;
- fast-track and execute projects to ensure that the road network is maintained as safely as possible. (eg. to execute pothole patching within a 48-hour turnaround time)
- ensure service delivery
- distribute work to as many suitably experienced emerging contractors as possible and will utilise the contractors

This contract will be co-ordinated and utilise the contractors that will be on the CDP contract as well. The Department has prioritised this contract to be implemented the third quarter of the 2016/17 financial year.

Regional Services

The four regions are not only responsible for line function activities in the Transport Infrastructure Component but the Public Transport and Traffic Management components as well.

In the Transport Infrastructure Component, their functions are Roads Management Support, Construction of Access Roads, Vukuzakhe Management. The Maintenance section of this component comprises of activities such as Preventative Maintenance, Routine Maintenance, Safety Maintenance, Special Maintenance and management of the Zibambeke Poverty Alleviation Programme.

The functions of the Traffic Management and Public Transport Components are to ensure Traffic Law Enforcement and Road Safety Education sections are efficiently and effectively co-ordinated and managed.

Rural Development & Job Creation

The department is committed to constructing and maintaining rural roads thereby creating employment opportunities for rural people and making sure that there is a transfer of skills as a benefit to communities and in doing so the Department aims to strengthen our commitment to provide access to communities most in need.

Continuous and evident progress has been made with the provision of agricultural link roads in rural areas serving nodes of agricultural activity and potential. Roads were surfaced and tracks have been upgraded to departmental gravel road status. Under this programme, bridges, causeways and pedestrian bridges are constructed.

Investments per district council by the department further emphasises their dedication towards rural development and the uplifting the lives of those in impoverished communities. This shows that the department has made a commitment to creating jobs by the various programmes it has in place for the construction and maintenance of road infrastructure and in the subsequent impact that these activities have in the development for the residents of these areas.

Prosperity of the province needs to have a broad base and must impact directly on the marginalised members of our society.

The department is at the forefront of promoting broad based black economic empowerment, job creation, gender equity, skills development and integrated and sustainable rural development.

The acclaimed Vukuzakhe and Zibambeke Programmes with the introduction of the Radical Transformation Programme will be broadened in order to further the principle of massification in bringing about an integrated approach to poverty alleviation and empowerment.

For the implementation of these programmes the department is working hand in hand with structures such as RRTF's, CSRC's PTA's including traditional and other social structures such as Amakhosi, iZinduna, Abefundisi, etc.

The provision of roads meets the basic needs of the people. Building capacity and the provision of jobs is not merely a concept at policy level but has gained momentum of its own through the viable projects undertaken by KZN DoT. The department has proven that it is has the flexibility to keep a wide range of projects on track which in their different ways directly meet the development needs of KwaZulu-Natal. These programmes and key projects within these programmes will be discussed under the sub-programmes of Construction and Maintenance.

Sub Programme: Programme Support Office

Transport Infrastructure Management System

The Department finalised a Transport Infrastructure Management System (TIMS) which will be implemented in the new financial year, to capture all projects to contract level.

This system will give an indication of time frames, priorities and budget allocations and will be an effective tool to monitor the progress of projects in terms of outputs as well expenditure. It will also enable users to comment and flag issues, risks, deviations and quality, to ensure that the relevant managers and decision makers are aware and resolve any problems that will hamper and impact on the successful completion of a contract.

Assistance Programme:

Skills transfer, mentorship and on-going training is provided to technicians and trainee engineers to increase the level of competence in their field, as well as knowledge and understanding in other civil engineering fields. Individuals are assisted on a one-on-one basis, as well as through training courses. An intense mentorship programme is currently underway to deal with the skills transfer and making sure the young graduates are involved in the relevant work which allows them to qualify as professionals and equip them for continuous professional development thereafter.

Technical Support

Assistance is provided on an ongoing basis to technical staff in the field. The Department with the assistance of appointed District Consultants manage the maintenance activities and the construction of access roads and causeways. In this regard, due to limited capacity and lack of professional mentors in the Department, the current consultants are utilised to mentor departmental staff. The intention is to capacitate cost centres to eventually operate independently of any assistance from consultants. District Consultants are in a very strong position, as they have the necessary skills base, in-house, and the knowledge and experience gained can be shared for the benefit of the Department. To meet the mandate of the Department, staff will be trained over a two, four or five year period, depending on the professional registration requirements.

Training

The Department's Technology Transfer (T²) centre continued to provide training during the 2015/16 financial year. 296 people were trained for the International Computer Driving Licence (ICDL) certification, 25 Mechanical Apprentices on an Apprentice programme, 18 University of Technology Students doing in-service training for their National Diplomas Civil Engineering, 1 BSC University Mechanical Engineering student and 8 BSC University Civil Engineering students were afforded the vacation work experience and T².



Sub-Programme: Infrastructure Planning

Infrastructure Management Systems

Bridge Management System

The Web2Project system was utilised to manage the progress the construction and designs of bridges, causeways and other smaller structures.

Pavement Management Systems

The department utilises leading world-class network survey technology to assess the provincial road network. During the assessments of the of the surfaced and gravel roads, it was observed that the network maintained post 1994 by the department has since deteriorated to an extent where a high degree of rehabilitation is required.

In initiating the Pavement Management System (PMS), the various asset management equipment was utilised to obtain scientific data in order to validate the condition of the road network by inputting this data into the RosyCam, which is a pavement management system that optimises the network and produces a report on

: prioritisation of repair. These outputs are then modeled around budget constraints and repair strategies.

: The department’s priority is thus focused on conserving the road network by utilising the available funding for maintenance and upkeep. The following are some of the equipment utilised to carry out the assessments of the road network.

Sub-programme: Construction

: Improved road networks result in a reduction in transaction costs, which catalyses investments and the establishment of new business enterprises. By upgrading gravel roads to blacktop standards and corridor development, the Department plays a key role in facilitating and promoting integrated rural development planning. The Department continues its efforts to address the backlog in the provision of roads of an appropriate standard, to access rural areas with high development potential.



Programme 2: Transport Infrastructure

Sub-Programme: Construction

Programme Performance Measures	Actual output for 2014/15 as per Annual Report	Target for 2015/16 as per Annual Performance Plan (APP)	Final outputs for 2015/16	Comments
Kilometres of gravel roads upgraded to surfaced roads.	81	74	101	The P602, P104, P17, P321 and P68/1 projects were carry overs from the 2014/15 financial year due to slow progress from contractors, court cases, contracts being terminated and delays in completion of contracts during the specified duration. This led to the over achievement in the 2015/16 financial year.
Number of m ² of surfaced roads rehabilitated.	1 616 800	3 504 000	1 991 651	Due to appeals and the rehabilitation contract being taken to court by Contractors who lodged the appeals there were several delays. The Department applied for a 10.1 Delegation to KZN Treasury to get authority to invite quotations for all contracts on the Operational Plan for the 2015/16 financial year. Permission to invite quotations was only granted during the 3rd Quarter of 2015/16 financial year therefore the under achievement.
Number of lane-km of new surfaced roads constructed.	5	-	16	Outputs achieved were for projects that were not completed in the 2014/15 financial year and thus reported at completion in the 2015/16 financial year.
Number of square metres of surfaced road upgraded.	47 625	32 900	40 088	Due to budget constraints encountered in the 2014/15 financial year two projects (P255 and P230) were carried over to the 2015/16 financial year therefore the over achievement.
Number of square metres of non-motorised transport facility constructed.	76 797	25 000	48 585	In order to address pedestrian needs the Department had to respond beyond our planned targets.
Kilometres of new road network declared	193	240	151	
Design of Integrated Public Transport Networks	4	-	-	
Number of Public Transport Infrastructure projects implemented	-	1	1	Target achieved

Sub-programme: Maintenance

The Department continues to undertake preventative, routine and emergency maintenance in order to gradually decrease the percentage of roads in a poor to very poor condition. The Main-

tenance programme's objective is to increase the lifespan of provincial roads and decrease vehicle operating costs, by undertaking a combination of maintenance activities. By utilising the various asset management equipment, scientific data and the Pavement Management System, the Department can effectively prioritise roads for maintenance and efficiently utilise the allocated funding to deliver a safer road environment.



Programme 2: Transport Infrastructure

Sub-Programme: Maintenance

Programme Performance Measures	Actual output for 2014/15 as per Annual Report	Target for 2015/16 as per Annual Performance Plan (APP)	Final outputs for 2015/16	Comments
Number of square metres of surfaced roads resealed.	1 233 580	2 700 000	1 737 985	Due to the surfacing contract not being extended the Department had to utilise the 10.1 Delegation but the 10.1 Delegation had to be submitted per contract. This delayed the commencement of projects resulting in the target not being met.
Number of kilometres of gravel road re-gravelled.	1 655	2 700	1 725	Target not achieved due to SCM processes delays and appeals on the listed projects for the 2015/16 financial year.
Number of square meters of blacktop patching (including pothole repairs).	402 564	240 000	321 843	Due to the ageing road network more patching was done to ensure drivers are kept safe on the roads.
Number of kilometres of gravel roads bladed.	64 898	120 000	53 889	Breakdowns, delays in hiring of graders and shortage of driver operators impacted on blading, therefore the under achievement.
Kilometres maintained by Zibambele Contractors.	29 040	26 650	28 933	The Zibambele programme targets poor households. The number of households in this category has increased therefore the increase in the kilometres maintained.

LINKING PERFORMANCE WITH BUDGETS

Programme/ Sub Programme	2015/16			2014/15		
	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 Infrastructure						
Programme Support Infrastructure	246 787	246 789	-	260 565	260 565	-
Infrastructure Planning	24 429	24 429	-	37 888	37 888	-
Infrastructure Design	35 295	35 295	-	26 741	26 741	-
Construction	4 019 742	4 032 842	(13 100)	3 674 556	3 675 620	(1 064)
Maintenance	2 667 911	2 637 670	30 241	2 820 705	2 820 705	-
Total	6 994 164	6 977 023	17 141	6 820 455	6 821 519	(1 064)



Programme 3: Transport Operations

Sub-Programme: Public Transport Services

Purpose

The Transport Operations programme concerned with planning, regulation and the provision of integrated land transport services, as well as road safety education and awareness.

Recent Outputs

Securing sustainable taxi industry peace, stability and growth

The department continued to record emphatic progress in its sustained efforts to attain taxi industry peace, stability and growth. This is notwithstanding conflict challenges that remain in a few areas such as KwaNdengezi and Molweni.

Newcastle

One of the major achievements in the last financial year was the conclusion of a record 34 Operational Agreements with five associations in Newcastle. This extensive process also saw the participation in these agreements of affected associations from Gauteng, Mpumalanga and Free State provinces. Integral in the agreement is the implementation of the Taxi Rank Management System, which has restored rank control to the local municipalities. It also entails effecting security measures including the installation of CCTV cameras that will record all vehicles coming into and leaving the ranks. The government, in the form of the local municipality, and provincial departments of Transport as well as Community Safety and Liaison, is now able to exercise the responsibility of providing security at the taxi rank.

A security company has since been appointed in Newcastle, and it works with the South African Police Service and the department's Public Transport Enforcement Services. This will ensure the safety of commuters, which is paramount.

Port Shepstone

Hibiscus Coast Municipality was also one of the areas that were afflicted by taxi industry conflict over use of the Port Shepstone taxi rank last year, which has since been contained. This was achieved through the signing of an Operational Agreement between Nyandezulu, Gamalakhe and Bambanani taxi associations. Again, rank security was implemented in March 2016 with the introduction of a security company, which gives the municipality control of ensuring the safety of commuters.

KwaDukuza and Maphumulo

A major achievement in KwaDukuza and Maphumulo was the diffusion of the deadly conflict through the enforcement of our Provincial Executive-approved law enforcement strategy.

This strategy entails implementing an extensive, intensified, intelligence-led and legally supported law enforcement drive to ensure peace and stability. The KwaDukuza and Maphumulo associations are at different stages of legalising operations, and fully participate in the Department of Transport-led processes to issue operating licences. In Maphumulo too, the rank security management will be implemented.

Litigation strategy

Our proactive approach to dealing with violent conflict in the taxi industry has been bolstered by our litigation strategy, which sees both Transport as well as Community Safety and Liaison departments working closely with the Criminal Justice system to ensure speedy prosecutions.

A case in point where this strategy was effected, was to deal with

the Durban's Brook Street Taxi Rank shooting incidence of last year, which led to the death of three people. The suspects spent a month in jail because we opposed their bail applications, and effectively highlighted the seriousness and urgency with which the Criminal Justice System needs to take public transport cases. The strategy has also been activated in KwaNdengezi to end conflict, arising from the impounding of 10 illegal taxi vehicles during December 2015. The vehicles remain impounded to date. It is key that illegal taxi operations are taken out, because they fuel conflict.

Decentralisation of public transport licensing offices

As part of ensuring that services are brought closer to the people, we have decentralised the offices of the Provincial Regulatory Entity, which administers the issuance of permits or operating licences for public transport, among others. This, importantly, came in response to a call by our key stakeholder in this case, SANTACO. In addition to the Pietermaritzburg head and regional offices, we have since opened offices in Empangeni, Ladysmith and Port Shepstone, which are fully operational and serve all nearby districts. We plan to open another office in Jozini. These offices have eliminated backlog on issuance of operating licences.

Operating licences

The issue of operating licences continues to bedevil our efforts to secure lasting peace and stability in the taxi industry. We are working with the industry to resolve it, as is the case in KwaDukuza and Maphumulo, as part of legalising processes.

The department will also conduct a provincial economic viability study to ascertain the supply-and-demand in the public transport industry. At the same time the department working with the taxi industry, to consider the implications of the industry's call for the lifting of a moratorium on the issuance of new operating licences.

The recent taxi strike experience has again proved that the problem lies with taxi operators who do not uplift or fetch their licences for one reason or the other.

The delay in the processing of licence applications is also because of failure to submit all required documentation, which affects the adjudication process. To illustrate this point; there are 7 305 operating licences the department has issued since 2013, 3 995 applications in progress, meaning already being processed, and 559 licences issued, but awaiting operators to uplift. The department does not have a backlog of unprocessed operating licences.

Regulations

In line with the National Land Transport Act, No. 5 of 2009, the department developed provincial regulations to close gaps in the law, in relation to the public transport industry. These regulations underwent public consultation to ensure effective regulation and stability of the public transport industry.

Sub-programme: Public Transport Services Learner Transport

The department continued to provide learner transport services in the province within budgetary constraints. From the small budget, the department provided scholar transport to 43 990 learners attending 315 schools in the province. It remains the department's that the demand far exceeds supply, and the meagre budget falls way too short. Learner transport is provided to learners travelling more than six kilometres, to and from school. As well, learner transport support has a bearing on safety. Already, the Provincial Executive has directed the departments of Transport, Education



and Economic Development, Tourism and Environmental Affairs, to explore a model of phasing out the use of bakkies while empowering “oMalume” to become operators of safer public transport modes. Meanwhile, a needs analysis is currently being carried out to identify areas to be prioritised for learner transport.

The department also distributed 3 000 bicycles to learners in schools identified by the Department of Education, together with safety helmets, locks and tyre pumps.

**Sub-programme: Transport Safety
Road Safety**

Road safety remains an area of concern for the department, province and country. Education, awareness and law enforcement

efforts helped make a dent. Although as a province we recorded a modest 2 percent decrease in fatalities in December holidays (2015) and an impressive 49 percent decline (down from 55 fatalities last year to 28 this year) in Easter holidays (March 2016), the figures of crashes and fatalities remain staggeringly high. Going forward, the department will intensify road safety education and awareness campaigns, through Operation Valingozi. These will entail reviving partnerships that work with SANTACO’s Hlokomela, Interfaith, Amakhosi, the private sector, labour unions, other government departments and agencies as well as non-governmental sectors. Furthermore, with the processes of finalising the National Road Safety Strategy 2016-2020 already advanced, a lot more collaboration is expected to take off across sectors of society.

Programme Performance Measures	Actual output for 2014/15 as per Annual Report	Target for 2015/16 as per Annual Performance Plan (APP)	Final outputs for 2015/16	Comments
Number of vehicle kilometres subsidised.	42 408 463	41 888 710	42 071 471	There are always either slight under or over performance on the outputs as this indicator is dependent on different variables.
Number of trips subsidised.	1 201 485	1 198 870	1 197 322	There are always either slight under or over performance on the outputs as this indicator is dependent on different variables.
Number of Provincial Regulating Entity (PRE) hearings conducted.	68	70	371	The backlog of late renewal applications resulted in an increase in the volume of applications gazetted and the number of days of open hearing sittings. This coupled with the finalisation of the Amajuba conflict which increased the number of hearings to deal with the outstanding applications resulted in the over achievement.
Number of routes subsidised.	1 706	1 710	1 740	Durban transport operated more routes than previously anticipated therefore the over achievement.
Number of vehicles subsidised.	1 313	1 320	1 351	The audit conducted on the fleet indicated a total fleet of 1 351 vehicles.
Kilometres operated per vehicle.	32 264	31 730	31 166	Due to the increase in the number of fleet there were less passengers per vehicle.
Passengers per trip operated.	57	58	58	Target achieved.
Passengers per vehicle.	4 367	4 340	4 020	
Staff per vehicle	2,1	2,2	2,2	Target achieved.
Number of subsidised passengers.	138 893	145 530	135 436	There is no way of determining exactly how many individual passengers will travel every year.
Number of unsubsidised passengers.	19 252	23 270	20 584	There is no way of determining exactly how many individual passengers will travel every year.
Number of trips monitored.	792 866	839 210	889 025	The Monitoring company performed beyond their minimum target of 70% with no financial implications to the Department.
Percentage of trips monitored.	67	70	74	The Monitoring company performed beyond their minimum target of 70% with no financial implications to the Department.
Subsidy per passenger.	12,47	15,4	13,24	The passenger trips have increased which will affect the outcome as the subsidy is divided by the total subsidised passenger trips.
Number of subsidised passenger trips.	6 894 6470	67 879 790	69 884 981	Bus services have increased.



Programme 3: Transport Operations

Sub-Programme: Transport Safety and Compliance

Programme Performance Measures	Actual output for 2014/15 as per Annual Report	Target for 2015/16 as per Annual Performance Plan (APP)	Final outputs for 2015/16	Comments
Number of road safety awareness interventions conducted.	5	5	5	Target Achieved.
Number of schools involved in road safety education programmes.	1 070	1 060	1 124	Staff attended to additional requests from schools and organisations.
Number of school children reached.	397 880	264 000	461 211	Apart from structured projects staff attended to requests from schools and partner with organizations. The Principal determines the number of grades attending the talk on the day of the presentation. Since this measure is linked to the number of schools reached, there is no financial implication attached to the number of school children reached.
Number of adults reached.	40 699	112 000	108 329	There can a slight deviation on this indicator due to various variables.
Number of crossing patrols provided.	180	143	143	Target achieved.
Number of operating licences issued.	4 866	4 800	4 241	The Department experienced under performance in the 1st quarter due to a high court interdict. This coupled with a number of licences not being uplifted contributed to the under performance.
Number of vehicles that have been scrapped due to taxi recapitalisation.	770	80	484	More taxi operators turned up for scrapping than anticipated and more so in the 4th quarter as the Taxi Scrapping agency announced that their contract was ending in March 2016.
Number of decentralised PRE offices.	2	2	2	Target achieved.
Number of routes that have been evaluated for economic viability.		1 000	-	There have been delays in the procurement processes for a suitable service provider to undertake this evaluation.



LINKING PERFORMANCE WITH BUDGETS

Programme/ Sub Programme	2015/16			2014/15		
	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 Operations						
Programme Support Operations	19 911	19 911	-	22 650	22 650	-
Public Transport Services	1 204 917	1 204 917	-	1 131 330	1 131 330	-
Transport Safety and Compliance	63 241	63 241	-	73 617	73 617	-
Total	1 288 069	1 288 069	-	1 227 597	1 227 597	-

Programme 4: Transport Regulation

Purpose

The Transport Regulation programme focuses on law enforcement and ensuring a safe road environment through regulation of traffic on public infrastructure, and the registration and licensing of vehicles and drivers.

Sub-programme: Law Enforcement Road Traffic Inspectorate (RTI)

Increased traffic police visibility on provincial roads plays a critical role in preventing accidents. The department continued to heighten law enforcement visibility especially during peak traffic seasons for 24-hours and overnight, the period when most crashes occur. This is done by continuous recruitment of traffic officers within the Road Traffic Inspectorate. Over and above personnel, law enforcement is being bolstered with new innovations and introduction of technology, which will improve our performance on law enforcement and safety drives, including the following:

- The department began implementing a pilot an electronic booking system at the Mkhondeni Testing Grounds, which is aimed minimising the backlog currently experienced in Driving Licence Testing Centres.
- The department has already rolled out a tablet-based electronic system for driver licence testing in its provincial Driver Learning and Testing Centres (Mkhondeni, Pinetown, Rosburgh, Newcastle and Empangeni). Each examiner is given a tablet, which records GPS coordinates of test route, records conversations between the examiner and learner driver, and ensures quality control of the entire process. Part of minimising fraud and corruption, the department intends rolling out the system to all municipal testing centres in the medium term.
- Further to previous reports, the department has implemented a speed management and overloading system on the M13, as part of improving safety measures on the road where the tragic accident involving a truck that crashed on four minibuses and a private vehicles and claimed 24 lives on the 5th of September 2013, took place.
- A database of all registered driving licence instructors has been compiled for the purpose of ensuring they receive proper training, accredited by the South African Qualifications Authority, and as part of improving driving skills.

- The department has sourced and deployed 12 high-speed pursuit vehicles in certain critical areas, which will intercept reckless drivers and speedsters.
- The Road Traffic Infringement Agency is still busy with preparations for the implementation of the Administrative Adjudication of Road Traffic Offences (AARTO). The AARTO Amendment Bill is awaiting promulgation. Once all the processes are concluded, the national Minister of Transport will then pronounce on the date of AARTO implementation nationwide.

Sub-programme: Transport Administration and Licensing Motor Licensing

The department continued to improve systems and processes to eradicate fraud and corruption at our Registering Authorities. Through the motor transport services administration and technical compliance units, the department administers vehicle registration and licensing transactions, including the renewal of approximately 1.5 million vehicle licences annually.

This is where the department generates R1.5 billion in revenue for the provincial fiscus. The province maintains an average 4 percent annual increase in licence fees over the medium term, as it gradually moves towards standardising its fees with the rest of the country.

Programme Performance Measures	Actual output for 2014/15 as per Annual Report	Target for 2015/16 as per Annual Performance Plan (APP)	Final outputs for 2015/16	Comments
Transport Administration and Licensing				
Number of licence compliance inspections executed.	869	890	974	An over performance on the projections for the year occurred due to Vehicle Technical Compliance inspectors dealing with an influx of new applications received from the various Registering Authorities, ongoing vehicle verifications and urgent new applications that were dealt with by the inspectors with the inspection of entities. The over performance was also due to the appointment of an additional staff member in Admin Compliance as well as inspections conducted at the DLTCs
Operator Licence and Permits				
Number of operator permits still to be converted to licences.	7	400	107	The onus is on the operator to convert the permit and is therefore not within the Departments control.
Traffic Law Enforcement				
Number of speed operations conducted.	13 465	18 250	19 443	The provision of 24 hour coverage over the Easter and December periods resulted in an increase in enforcement activities and as a result the target was exceeded.
Number of vehicles weighed.	143 312	150 000	157 124	Due to an increase in operations and 24 hour coverage over the festive periods contributed to the over achievement.
Number of drunken driving operations conducted.	184	190	1 214	Vast improvement in figures due to increase in multi-disciplinary operations with ITLEC structures and other stakeholders.
Number of vehicles stopped and checked.	1 393 393	2 040 000	1 678 166	A considerable number of hours were lost due to officers attending to motor vehicle crashes, obstructions, escorting of abnormal loads and attending to service delivery protests therefore the under achievement.
Number of hours weighbridges operated.	12 692	15 000	15 212	Slight improvement on target due to 24 hour coverage over peak periods which resulted in an increase in operating hours at weighbridge sites.
Number of kilometres patrolled.	6 496 845	6 090 000	7 153 796	Extended hours of duty over the Easter and December periods resulted in an increase in the number of kilometres patrolled (provision of 24 hour coverage).
Number of law enforcement officers trained: Diploma courses.	-	90	-	Currently there are only 38 municipal traffic officers being trained and are scheduled to complete their training by December 2016.
Number of law enforcement officers employed.	846	927	830	Due to cost cutting measures vacant funded posts are not being filled. Awaiting approval of recruitment procedures for trainee provincial inspectors.
Number of heavy vehicles screened.	2 739 314	3 300 000	3 517 364	No control over this measure as it is dependent on the movement of heavy motor vehicles and the functioning of screeners.
Undertake goal directed enforcement of public transport (Operation Shanela)	952	550	879	Due to the need for enforcement in a number of conflict areas around the Province simultaneously, officers had to be deployed accordingly which led to the over achievement.



LINKING PERFORMANCE WITH BUDGETS

Programme/ Sub Programme	2015/16			2014/15		
	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 Regulations						
Programme Support Regulation	623	623	-	350	350	-
Transport Admin and Licensing	118 156	118 156	-	103 481	103 481	-
Operator Licence Permit	61 119	61 119	-	42 800	42 800	-
Law Enforcement	557 892	557 892	-	555 519	555 519	-
Total	737 790	737 790	-	702 150	702 150	-

Programme 5: Community Based Programmes

Sub-Programme: Transport Safety and Compliance

Purpose

The purpose of this programme is to direct and manage the implementation of programmes and strategies that lead to the development and empowerment of communities.

Recent Outputs

Sub-programme: Community Development

Community Based Programmes help the department advance its job creation and poverty alleviation initiatives, through the Expanded Public Works and Zibambebe programmes, aimed at empowering the youth, women and people with disabilities.

In the last financial year, the department achieved its target in respect of Zibambebe, which was to create 44 000 employment opportunities against a target of 41 000. The department plans to maintain this level of performance for the next five years, within the prevailing budgetary constraints.

Sub-programme: Innovation and Empowerment

The department is also planning to revive its incubation programme to develop emerging contractors over a two-year period. As well, the department is intending to begin the pothole patching pilot project, aimed at giving CIDB grading 1 contractors the opportunity to specialise in pothole patching contractor work.



Programme Performance Measures	Actual output for 2014/15 as per Annual Report	Target for 2015/16 as per Annual Performance Plan (APP)	Final outputs for 2015/16	Comments
EPWP Coordination and Monitoring				
Number of jobs created.	59 235	62 700	58 459	The delays in the commencement of several projects throughout the financial year contributed to the under achievement.
Number of employment days created.	4 860 501	5 520 000	4 744 107	The delays in the commencement of several projects throughout the financial year contributed to the under achievement.
Number of Full-Time Equivalents (FTE's).	21 132	24 000	20 626	The delays in the commencement of several projects throughout the financial year contributed to the under achievement.
Number of youth (18-35) employed.	24 458	31 350	14 783	The delays in the commencement of several projects throughout the financial year contributed to the under achievement.
Number of women employed.	43 030	44 640	45 105	Emphasis on the employment of women, youth and PWDs led to the over achievement.
Number of Persons With Disabilities employed.	17	315	44	The delays in the commencement of several projects throughout the financial year contributed to the under achievement.
Community Development				
% of HDI operators providing learner transport services empowered		50% (40/80)	51%	Target Achieved
Number of Zibambele contractors employed	44672	41000	44513	The Zibambele programme targets poor households. The number of households in this category has increased therefore the increase in the number of contractors in order to address the plight of the poor
Number of small contractors trained through the Vukuzakhe Emerging Contractor Development Prog.	737	300	519	The actual output is higher than the planned due to the dynamic nature of the environment in which the training is undertaken. The Department has limited control over the number of attendees at the various interventions, which includes the number of women, youth and people living with disabilities who will actually attend. Furthermore additional training interventions developed during the course of the year.
Number of training opportunities created for previously disadvantaged individuals.		400	560	The actual output is higher than the planned due to the dynamic nature of the environment in which the training is undertaken. The Department has limited control over the number of attendees at the various interventions, which includes the number of women, youth and people living with disabilities who will actually attend. Furthermore additional training interventions developed during the course of the year.
Number of training opportunities created for women.	350	200	399	The Department has limited control over the number of attendees at the various interventions, which includes the number of women, youth and people living with disabilities who will actually attend. Furthermore additional training interventions developed during the course of the year.
Number of training opportunities created for youth.		200	162	The Department has limited control over the number of attendees at the various interventions, which includes the number of women, youth and people living with disabilities who will actually attend.
Number of training opportunities created for people with disabilities.		8	3	The Department has limited control over the number of attendees at the various interventions, which includes the number of women, youth and people with disabilities who will actually attend.



Linking performance with budgets

Programme/ Sub Programme	2015/16			2014/15		
	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
Community Based Programme						
Programme Support Commu- nity Based	6 675	6 675	-	6 383	6 383	-
Community Development	6 966	3 702	3 264	10 080	10 080	-
Innovation and Empowerment	15 744	8 681	7 063	11 668	11 688	-
EPWP Co-Ordination and Monitoring	11 131	10 531	600	13 560	13 560	-
Total	40 516	29 589	10 927	41 711	41 711	-

SUMMARY OF FINANCIAL INFORMATION

Departmental Receipts

Departmental Receipts	2015/16			2014/15		
	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						
-Motor vehicle licences	1 481 000	1 490 173	(9 173)	1 343 000	1 396 323	(53 323)
Sale of goods and services other than capital assets	129 450	119 355	10 095	123 728	130 592	(6 864)
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	38 088	45 671	(7 583)	40 000	38 186	1 814
Interest, dividends and rent on land	266	202	64	200	202	(2)
Sale of capital assets	2 650	6 221	(3 571)	2 500	4 181	(1 681)
Financial transactions in assets and liabilities	2 053	3 358	(1 305)	2 974	7 814	(4 840)
Total	1 653 507	1 664 980	(11 473)	1 561 290	1 577 298	(64 896)

The department collected revenue totalling R1.665 billion in 2015/16, which is higher than the budget by R11.473 million.

Revenue in respect of the following categories was higher than budgeted:

- Motor vehicle licences was over-collected by R9.173 million due to higher than anticipated applications for new and annual renewals of motor vehicle licences, as well as improved registration in respect of classification of vehicles, such as abnormal and special vehicles.
- Fines, penalties and forfeits was collected at R45.671 million, which was higher than the budget by R7.583 million. This was due to high collections in respect of traffic fines which are charged on motorists that contravene the Roads Traffic Act.
- Sale of capital assets were over-collected by R3.571 million, which was due to higher than anticipated auctioning of redundant motor vehicles. Revenue from auction sales is difficult to accurately estimate, as it depends on, among others, the condition of the assets on auction, bid prices, as well as the demand on the day.
- Transactions in financial assets and liabilities were collected at R3.358 million, which was higher than estimated by R1.305 million. This can be attributed to the collection of staff debts as well as recoveries from previous financial years being higher than anticipated. This category is also difficult to forecast due to its uncertain nature.

The over-collection was offset to some extent by an under-collection as follows:

- Sales of goods and services other than capital assets were under-collected by R10.095 million. This is due to the applications for learners', taxi operating and drivers' licences, drivers' licence issuance and renewal, conversion of drivers' licences, motor vehicle registration, abnormal loads, special vehicles, and the sale of personalised and specific number plates being lower than anticipated.
- Interest, dividends and rent on land was under-collected by R64 000 as a result of interest on staff debts being lower than anticipated. This category is difficult to accurately project, due to its uncertain nature.



Programme Expenditure

Programme Name	2015/16			2014/15		
	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
Administration	306 021	306 021	-	249 191	258 972	-
Transport Infrastructure	6 994 164	6 977 023	(17 141)	6 830 236	6 821 519	(1 061)
Transport Operations	1 288 069	1 288 069	-	1 227 597	1 227 597	-
Transport Regulation	737 790	737 790	-	702 150	702 150	-
Community Based Programme	40 516	29 589	10 927	41 711	41 711	-
Total	9 366 560	9 338 492	28 066	9 050 885	9 051 949	(1 064)

The under-expenditure of R28 068 million was realised against Programme 2: Transport Infrastructure as a result of flood damage funding that was withheld by National Transport, the other was against Programme 5: Community Based Programmes as a result of the delays with the filling of funded vacant posts as well as the non-transfer of funds to VECA.

Transfer Payments to all organisations other than public entities

Name of transferee	Type of Organisation	Purpose for which the funds were used	Did the dept. comply with S38(1)(j) of the PFMA	Amount transferred R'000	Amount Spent by the Entity	Reasons for the funds unspent by the entity
Province	Department	Motor Vehicle Licences	Yes	4 537	4 537	-
Construction and Engineering SETA's	Departmental Agency	Skills Development Levy	Yes	1 069	1 069	-
Bus Corporations	Private Enterprise	Bus Subsidies	Yes	993 057	993 057	-
Households	Individuals	Claims Against the State, Expropriation of Land, Leave Gratuities and Injury on Duty	Yes	17 613	17 613	-

Conditional Grants and Earmarked Funds Paid

Conditional Grants

The Department receives a Provincial allocation in the form of an equitable share and National conditional grant allocations for the maintenance and construction of road infrastructure, subsidising of bus transport in the Province and creating job opportunities through EPWP projects. Included under conditional grants is the Provincial Roads Maintenance Grant, Public Transport Operations Grant and the EPWP Incentive Grant.

a) Provincial Roads Maintenance Grant

The Provincial Roads Maintenance Grant is for the maintenance and construction of road infrastructure in KZN.

The purpose of the grant is to supplement provincial roads investments and support preventative, routine and emergency maintenance on provincial road networks.



Department whom the grant has been transferred.	KZN Transport
Purpose of Grant	Provincial Roads Maintenance Grant
Expected outputs on grant	Refer to Performance Information
Actual outputs achieved	Refer to Performance Information
Amount per amended DORA	R1 779 255 000
Amount transferred	-
Reasons if amount as per DORA not transferred	-
Amount spent by department	R1 749 014 000
Reasons for funds unspent	Flood damage funding of R 30.241 million was withheld by National Transport
Monitoring mechanism by the transferring department	Monthly reporting

b) Public Transport Operations Grant

The purpose of this sub programme is to manage and monitor the provision of subsidised public transport services. The functions include ensuring that funds allocated to subsidise public transport service yield maximum outcome in reducing the burden of affordability, improving the standard and reliability of public transport, ensuring achievement of performance standards, ensuring economic transformation of the subsidised public transport sector and providing education and capacity building.

The department provides subsidised public transport services which are funded through the Public Transport Operations Grant.

The purpose of the Public Transport Operations grant is to provide supplementary funding for the provision of public transport services by contracts which are kilometre based that are affordable and supportive of the intermodal efficiencies to users of public transport.

The aim is to ensure that user, especially the poor enjoy affordable public transportation. In many respects performance in the provision of the service has been above average.

Department whom the grant has been transferred.	KZN Transport
Purpose of Grant	Provincial Roads Maintenance Grant
Expected outputs on grant	Refer to Performance Information
Actual outputs achieved	Refer to Performance Information
Amount per amended DORA	R924 766 000
Amount transferred	R924 766 000
Reasons if amount as per DORA not transferred	-
Amount spent by department	-
Reasons for funds unspent	-
Monitoring mechanism by the transferring department	Monthly reporting

c) Expanded Public Works integrated Grant for Provinces

The purpose of the EPWP Integrated Grant is to incentivise provincial departments to expand their work creation efforts through the use of labour intensive delivery methods to improve the quality of life of the poor people and increase social stability through employing previously unemployed people to perform the infrastructure construction and maintenance activities. The employment of previously unemployed people contributes to the reduction of the levels of poverty and increases the levels of employment, skills development through work experience and sustainable work opportunities.

Department whom the grant has been transferred.	KZN Transport
Purpose of Grant	EPWP Integrated Grant for Provinces
Expected outputs on grant	Refer to Performance Information
Actual outputs achieved	Refer to Performance Information
Amount per amended DORA	R55 602 000
Amount transferred	-
Reasons if amount as per DORA not transferred	-
Amount spent by department	R55 602 000
Reasons for funds unspent	-
Monitoring mechanism by the transferring department	Monthly reporting



Earmarked Funds

a) Learner Transport

To purpose of Learner Transport is to:

- o provide equitable access to quality education for the people of KwaZulu-Natal
- o Improve access to quality education by providing safe, decent, effective, and integrated sustainable learner transport.

Department whom the grant has been transferred.	KZN Transport
Purpose of Allocation	Learner Transport
Expected outputs on allocation	Refer to Performance Information
Actual outputs achieved	Refer to Performance Information
Amount per amended DORA	R201 413 000
Amount transferred	-
Reasons if amount as per DORA not transferred	-
Amount spent by department	R201 413 000
Reasons for funds unspent	-
Monitoring mechanism by the transferring department	Monthly reporting

Donor Funding

No donor funding was received by the Department.

Capital Investment

Table: Capital Investment

Infrastructure Projects	2015/16			2014/15		
	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	442 226	442 226	-	398 083	398 083	-
Existing Infrastructure Assets						
Upgrades and Additions	2 331 775	2 344 875	(13 100)	2 515 533	2 516 594	(1 061)
Rehabilitation, Renovations and Refurbishments	1 245 741	1 245 741	-	760 940	760 940	-
Maintenance and Repairs	2 677 987	2 647 746	30 241	2 820 705	2 820 705	-
Infrastructure Transfer						
Capital	4 019 742	4 032 842	(13 100)	3 674 556	3 675 617	(1 061)
Current	2 677 987	2 647 746	30 241	2 820 705	2 820 705	-
Total	6 697 729	6 680 588	17 141	6 495 261	6 496 322	(1 061)



PART C

Governance

Road Safety is our collective responsibility.



Introduction

The Provincial Growth and Development Strategy (PGDS) of 2011 defines both the strategic vision for the province in 2030 as well as the underlying strategic goals required to attain the vision. Goal number 6 is Governance and Policy and thus Governance is pertinent. The department places substantial emphasis on good governance and is continuously developing governance structures to ensure that efficient, effective and economical use of state resources are achieved. The formation and continued meetings with resolutions, of the Risk Management, Fraud Prevention and Anti-Corruption Committee, is an indication of one of the internal oversight bodies that address good governance.

Risk Management

Based on the Provincial Framework for Risk Management, the department applied Enterprise Risk Management (ERM) to link its processes of risk information to the department's strategy. ERM is a formal and systematic response to all key risks facing the department. It encompassed processes of identifying, assessing and responding to all kinds of risks.

- **Risk Management structural composition**

The component has the Director, Deputy Director, Assistant Directors and Compliance officers.

The Director reported directly to the Chief Financial Officer.

There are Risk Champions appointed in the Regions to assist in embedding Risk Management in the Department.

- **The frameworks**

The Department has the Risk Management policy in place which were effected in 2012. The Risk Management policy was reviewed and approved in June 2014 and communicated to all staff in the department. Amendments of the policy included the Control Objective for Information and Related Technology Aligned Plan and Organized domain of governance process ((COBIT APO 12) which relates to managing risk.

- **Risk Assessment**

A formal process of identifying, assessing and recommending stringent measures to mitigate the risks was tracked in terms of the Treasury Regulation 3.2. The implementation of the Risk Management mitigations was monitored on a regular basis and consolidated reports were submitted to relevant stakeholders on a quarterly basis. The department had 23 Risks identified. The table below illustrates how the risks were rated and the progress made in addressing mitigations:

No	Risk Scale	No. of identified risks	No. of agreed upon mitigations	Action plans implemented	Outstanding action plans	Comments
1.	Critical	2	8	6	2	The outstanding action plans are in progress. The 17 mitigations could not be completed in the financial year due to: - Circumstances beyond the Departmental control (e.g. Vetting by SSA, Provincial and National departments in terms of finalizing development of legislations) - Other mitigations being a long term project. All the risk with incomplete mitigations have been carried over to the next financial year Departmental Risk Profile.
2.	Major	1	4	4	0	
3.	Moderate	12	26	15	11	
4.	Minor	2	3	2	1	
5.	Insignificant	6	4	1	3	
TOTAL		23	45	28	17	

A formal risk assessment workshop was conducted on the 16 March 2016 to identify risks for the financial year 2016/17 on the following categories: Strategic Risks, Operational risks, Project risks, Information Technology Risks, Fraud Risk and Disaster Risks and Ethics Risks.

- **The Risk Management, Fraud Prevention and Anti Corruption committee**

The Departmental Risk Management, Fraud Prevention and Corruption Committee comprises of Head of Department, Senior General Managers, General Managers, Chief Risk Officer, and the Chief Financial Officer.

Chairpersonship responsibilities of the Departmental Risk Management Committee were allocated to the Head of Department and Internal Control and Risk Management provides secretarial services.

The committee met during this financial year to attend to the progress made in implementing the risk mitigation strategies; and the development of the fraud prevention, policy strategy and the plan.

- **Audit Committee Meetings**

There were Four (4) audit committee meeting held during the financial year 2015/16.



Date of meeting	Key issues discussed at the meetings
21/05/2015	Internal Audit report: Presentation on the progress made on the implementation of the approved Internal Audit Operational plan was made. Details relating to Transportation, Supply Chain Management and Performance Information were discussed during the meeting.
	Risk Management A presentation on the progress made on the implementation of the Risk Register was made. The Committee encouraged the department to consider fair ratings on risks under Supply Chain Management in the new Risk Profile. SCM was noted as a high risk area in the Department due to the Internal and External audit reports.
	Performance information A presentations on performance information was made reflecting on achievements, under and over performance made by the Department on all the programmes.
	Financial Reporting Financial Report were presented, including, Contingent Liabilities, Fruitless and Wasteful, Expenditure, Irregular Expenditure, Unauthorized Expenditure
	Fraud prevention Investigated cases were presented. Committee advised on implementation of the recommendations that the Department must ensure that all recommendations must be attended to without delays.
21/07/2015	Audit matters The Audit Improvement Strategy was presented to the Committee. The committee requested that the department must ensure that the outstanding issues are addressed accordingly and must not be delayed.
	Risk Management The Transversal Risk Implementation plan was presented reflecting projects to be carried out in the Fiscal Year (OHS, Fraud prevention, Disaster as well as Risk Management). The Departmental Risk Profile for the Financial Year 2016/17 was presented.
20/11/2015	Risk Management and audits Progress on both the implementation of risk mitigations and implementation of action plans in terms of the audit log.
	Budget report The budget report was presented to the committee. The committee requested the Department to include the prior financial years actual in future budget reports.
01/03/2016	Departmental Report The Department reported on Risk Management, Fraud Prevention, the Financial, Performance Information, Status on the Implementation of IT as well as Governance Compliance to Legislation & Policies.

Risk Management has contributed to the Departments' achievement of goals and objectives by constant monitoring of the action plans that were designed to mitigate the strategic risks. The reporting of the implementation of the Risk Action plans to the Cluster and Audit Committee further intensified the efforts and accountability of each Risk Owner. Risk Management in the Department is developing towards a mature level. The Departmental Risk Management Strategy, driven by the Departmental policy, addresses the gaps in the department's risk management maturity level, is being implemented and monitored.

Fraud and Corruption

The department's fraud prevention plan is guided by the Departmental Fraud Prevention Policy. The plan includes structural, operational, response and maintenance strategies. The plan has specific focus areas as well as time frames and implementation is on an ongoing basis. An approved whistle blowing policy details mechanisms in place and procedural guidance in reporting suspected fraud and corruption. Officials are encouraged to report any suspected illegal activity to the National Fraud and Corruption Hotline which is managed by the Public Service Commission (PSC) and monitored through the Office of the Premier. The hotline number is 0800 701701 and is manned 24 hours a day, 7 days a week.

The cases are reported through the Office of the Premier and reports are required on the progress with the matters until finalised. Any reported cases of alleged fraud and corruption are referred to the Provincial Treasury Investigative unit for forensic investigation.



2.5.7 FINANCE PORTFOLIO COMMITTEE

Finance Portfolio Committee Meetings were held on the following dates:

20 March 2015
4 September 2015
22 March 2016

Resolution No.	Subject	Details	Response by the Department
24/2015	EXTENDED PUBLIC WORKS PROGRAMME (EPWP MONITORING AND CO-ORDINATION FUNCTION SHIFT VOTE 12 TO VOTE 14	<p>Noting that:</p> <p>(a) From the 2015/16 MTEF, funds have been shifted from the Department of Transport to the Department of Public Works, in respect of co-ordination of EPWP.</p> <p>(b) The Department of Public Works will now be responsible for ensuring that the provincial co-ordination and support function is aligned with the structuring at national level and with other provinces.</p> <p>The committee resolves that:</p> <ol style="list-style-type: none"> 1. The Accounting Officer provides a report by 30 September 2016 on the progress regarding the shift of function. 2. The report provides details whether this function will impact on staff in the Department and how the issue will be addressed 	<p>Resolution 2014/2015 Provincial EPWP hand over from Vote 12 To Vote 14</p> <p>Cabinet approved the handover of the EPWP Provincial coordination to the Department of Public Works in order to bring the coordination function in alignment to other provinces, this approval was made in terms of resolution 119 of 2014. During the previous financial year 2014/15 the two departments jointly coordinated the Provincial EPWP with the final hand over taking place at the beginning of the 2015/16 financial year. As part of this resolution it was indicated that vote 14 would use the joint coordination period in 2014/15 financial year to build capacity to take over the function in the following financial year 2015/16. Provincial coordination by vote 14 officially began on 1 April 2015/16 financial year as per cabinet resolution. The final hand over was accompanied by a hand over report which was signed by the HOD and handed over to the HOD for Public Works. Furthermore, files and other documents relevant for programme management and monitoring were also handed over to the Department of Public Works.</p> <p>Impact on Staff</p> <p>At the time of the hand over decision, the vote 12 EPWP coordination component was grossly under resourced in terms of human resources; and vacancies that had been vacated had not been filled, it was the least resourced component in comparison to other provinces performing the same functions.</p>



Resolution No.	Subject	Details	Response by the Department
25/2015	SOUTH AFRICAN NATIONAL ROADS AGENCY LIMITED (SANRAL RECEIPTS)	<p>Noting that:</p> <p>(a) The Department receives funding from SANRAL to cater for an extended overload control function on the national road network in the province. The funding, however, has been decreasing since 2013/2014 financial year and will end 2016/2017.</p> <p>(b) The Department and SANRAL will review and renew the contract. As the Department does not know the content of the new agreement, it</p>	<p>The principle of handing over this function was based upon the premise that no staff member impacted by this resolution would lose their jobs or in any way negatively impacted. The rationale was premised on the fact that the department (Vote 12) was itself undergoing an organisational review and would thus be in need of resources especially since according to the new organogram the department under Programme 2 was opening a new EPWP branch to coordinate internal EPWP programmes.</p> <p>Under normal circumstances staff would follow their functions however given the above; staff were consulted and given an opportunity to indicate if they wished to follow their functions. On looking at the job descriptions it was clear that only one staff member was highly affected since her functions comprised deliverables performed under the provincial coordination. Upon consultation all staff indicated in favour of staying in DOT and there has since not been any contrary indication that there are those who would like to be transferred to vote 14. The process of absorbing the remaining staff members in other internal functions will follow the prescribed placement procedures within HR prescripts.</p> <p>The National routes specifically the N3 is a key strategic economic corridor linking the Durban Port with the interior. It is estimated that this corridor carries in excess of 60% of all road based cargo.</p> <p>Research has also shown that overloaded heavy motor vehicles are responsible for approximately 60% of the damage to the road network. During 1998 the KwaZulu-Natal Department of Transport developed a strategy for vehicle overload control in order to mitigate the risk of damage to the provinces road infrastructure.</p> <p>The Department as well as SANRAL regards the protection of the infrastructure as critical in order to extend the life and improve road safety.</p>



Resolution No.	Subject	Details	Response by the Department
		<p>could not determine the performance payment, there is thus no allocation in 2017/18</p> <p>The committee resolves that:</p> <ol style="list-style-type: none"> The Department provides a report by 30 September 2015, explaining why this funding is reduced, as well as who and what determines the terms and conditions. 	<p>Therefore, in November 2004 the Department of Transport entered into an agreement with the South African National Roads Agency to further improve and enhance overload control on the N3 Corridor.</p> <p>The initial contract was valid for a period of 1 year, from 1 November 2004 to 31 October 2005 with an estimated contract value of R8 369 058.</p> <p>On the expiry of the abovementioned contract it was further extended for a period of three (3) years, from 1 November 2005 to 31 October 2008 with an estimated contract value of R16 130 942.</p> <p>On the expiry of the contract on 31 October 2008 it was again extended for a period of four (4) years and five (5) months, from 1 November 2008 to 31 March 2013 with an estimated contract value of R38 000 000.</p> <p>The contract covered the following sites.</p> <ul style="list-style-type: none"> • Midway (N3) • Mkhondeni (N3) • Westmead (N3) • Greytown (R33) • Ladysmith (N11/R103) • Newcastle (N11) • One Tree Hill (N11) <p>The scope of business between the parties was aimed at enhancing an existing service and as set out in the initial agreement and included but was not limited to the following:</p> <ol style="list-style-type: none"> a) Overloading control; b) Heavy motor vehicle safety inspections; c) Administrative order and Road Traffic Quality System



Resolution No.	Subject	Details	Response by the Department
			<p>inspections;</p> <ul style="list-style-type: none"> d) Heavy motor vehicle driver and driving hours inspections; e) Hazardous substance inspection and regulation; f) Speed control and speeding control; g) Alcohol control; and h) The escort of abnormal loads <p>The payment structure in the initial contract was based on the following.</p> <ul style="list-style-type: none"> • Personnel Costs; and • Goods and Services <p>The funding stream over the period 2004 to 2013 remained relatively constant however from April 2013 to November 2014 no contract existed between the parties therefore no receipts were made.</p> <p>Negotiations for a new contract began during August 2013 subsequent to a resolution of the SANRAL Board dated 13 August 2013 however due to unforeseen delays the contract was only concluded and signed by both parties on the 20th November 2014.</p> <p>This contract is valid for a period of 24 months, from 20 November 2014 to 20 November 2016 with an estimated contract value of R7 584 000.</p> <p>This is a decrease in funding however this contract only covers the following sites on the N3 namely;</p> <ul style="list-style-type: none"> • Midway (N3) • Mkondeni • Westmead <p>SANRAL have indicated their intention with this contract is to</p>



Resolution No.	Subject	Details	Response by the Department
26/2015	LEARNER TRANSPORT	<p>Noting that:</p> <p>(a) The Department will continue to provide learner transport services in the province over the 2015/16 MTEF, which will provide an estimated 226 schools and 21 760 learners with the service.</p> <p>(b) There is a challenge in respect of this service, including the fact that demand far exceeds the budget available to provide the service.</p> <p>The committee resolves that:</p> <ol style="list-style-type: none"> The Department provides a report by 30 September 2015 explaining which schools receive this service and what criteria are used to make that determination. The plans of the 	<p>focus solely on the N3 Corridor as they have future plans for the N11 Corridor.</p> <p>The payment incentive in the new agreement differs from the previous contract as it is based purely on the number of vehicles weighed and excludes any other costs stated previously. The Department is confident however that the current terms would enable it to recover costs for providing this extended service.</p> <p>The agreement does provide for the remuneration for services to be reviewed on an annual basis.</p> <p>In this case SANRAL LTD is the client and DOT the contractor however terms and conditions are generally negotiated between the parties.</p> <p>What criteria are used to make that determination on schools to benefit?</p> <p>The Department of Transport and the Department of Education entered into the Memorandum of Agreement which defines the roles and responsibilities of each department in the provision of learner transport. The Department of education is responsible for identification of learners who qualify as per the policy. The MOA outlines the following responsibilities:</p> <p>Functions of the Department of Transport:</p> <ul style="list-style-type: none"> o Service Planning and design based on data provided by DOE (List of schools, learners and routes o Procurement of Service providers o Administration and monitoring of the programme <p>Functions of the Department of Education</p> <ul style="list-style-type: none"> o Identify the schools as well as learners who qualify o Verify if learners qualify as per policy o Compile data of schools, learners and routes and submit to DOT.



Resolution No.	Subject	Details	Response by the Department
		<p>Department to expand the programme and the timeframe for expansion.</p> <p>2. The Department should monitor the funding, to ensure that the funds are well spent, considering that this programme is unfunded.</p>	<p>The province, currently, does not have an approved policy of learner transport. The policy guiding the implementation of learner transport is the Draft National Learner Transport Policy. The criteria used for determining learners who benefit is:</p> <ul style="list-style-type: none"> a) Learner who walk more than three (3) kilometer, single journey to school, b) Learner in rural areas c) Learner from areas where there is no alternative safe public transport d) No learner travelling to school of choice <p>Plans to expand the programme and the timeframe</p> <p>In 2012, the Department received a list of hundred and sixteen (116) additional schools to be added as and when additional funding becomes available.</p> <p>The service design was done and completed in January 2013. Because of funding constraints, the neediest schools were prioritized from this list. The priority list also included schools which were identified after the service design was completed. Out of the 116 schools which were designed only nine (9) schools made it to the prioritization list. The new priority list includes satellite/non-viable & additional new schools as submitted by DOE.</p> <p>We are in the process of implementing services in most of the above schools. In order to speed up the process of implementation, variations have been finalized for those new/satellite/non-viable schools that are close to current subsidized operations. The process of service designing those services that could not be addressed in terms of variations has commenced and will be completed shortly. These will hopefully be implemented in January 2016.</p>



Resolution No.	Subject	Details	Response by the Department
27/2015	REDUCTION OF PROVINCIAL ROADS MAINTENANCE CONDITIONAL GRANT	<p>Noting that:</p> <p>(a) The Provincial Roads Maintenance Conditional grant has been reduced by R207.495 million in 2015/16 financial year.</p> <p>(b) A portion of these funds will be allocated to SANRAL for the upgrade of the R573Moloto road in Mpumalanga Province.</p> <p>The committee resolves that:</p> <p>1. The Department provides a report by 30 September 2015 on any other grants that the department has lost to other provinces and what the reasons for this are</p>	<p>Monitoring of funding</p> <p>The Department currently employs the services of professional monitoring firms to monitor services to ensure that operators are only paid for kilometers operated. Operators are also penalized for not performing as per contractual obligations. A requirement in the contract is that a minimum of 60% of subsidized trips are monitored.</p> <p>All conditional grants received by the department have been negatively affected by the fiscal consolidation budget reductions affecting all national and provincial departments.</p> <p>The department is not aware of any other amounts "lost" to other provinces from these conditional grants.</p>
41/2015	KWAZULU-NATAL PROVINCIAL PUBLIC ENTITIES	<p>Noting that:</p> <p>(a) The exorbitant remuneration packages that are paid to board members and senior management staff of entities in KZN province.</p> <p>(b) The high number of overseas trips</p>	<p>The department does not have any public entities reporting to it.</p>



Resolution No.	Subject	Details	Response by the Department
		<p>undertaken by executive officers and staff of public entities.</p> <p>(c) The continued employment of staff to non-critical posts.</p> <p>The committee resolves that:</p> <p>The Accounting Authorities of all KZN Public Entities provide a report on the following information by 30 September 2015:</p> <ol style="list-style-type: none"> 1. A breakdown of the board members' remuneration packages for the past three financial years up to and including the 2014/2015 financial year. 2. A breakdown of the number of times that the board met in the last three financial years up to and including the 2014/2015 financial year. 3. A breakdown of the number of overseas trips undertaken by board members and senior management of entities, and the number of people per trip for the past three financial years up to and including the 2014/2015 financial year. 4. Number of staff employed in non-critical posts for the past three financial years up to and including the 2014/2015 financial year. 	



Resolution No.	Subject	Details	Response by the Department				
42/2015	USAGE OF LEGAL SERVICES THAT ARE OUTSIDE OF GOVERNMENT	<p>Noting that:</p> <p>The continued usage of legal services that are outside of government by departments and entities despite numerous calls by the Finance Portfolio Committee for departments and entities to refrain from this practice due to the exorbitant legal bills that the departments and entities incur as a result.</p> <p>The committee resolves that:</p> <ol style="list-style-type: none"> The Accounting Officers of departments and Accounting Authorities of entities make use of legal services that are provided by government through the Office of the Premier and the Office of the State Attorney. The Accounting Officers of all departments and Accounting Authorities of all public entities provide reports by 30 September 2015 indicating (a) how much was spent on legal costs in 2014/15 financial year, (b) the total amount spent on private attorneys and (c) reasons for using private attorneys where the State Attorney or the Office of the Premier were not used. 	<p>The Department of Transport has a panel of private attorneys being used and instructed on legal/litigation matters for the following reasons:</p> <ol style="list-style-type: none"> Urgent applications Matters with high monetary value, based on the previous experience with the State Attorney, Claims by/against the State where there has been no action taken by the State Attorney, or Matters where there would be a conflict of interest with the State Attorney eg. the RTI Commission, where the State Attorney was representing the aggrieved families. Similar merits. <p>Further, find costs for the financial year 2015/2016 expended on State Attorney as well as the private attorneys.</p> <table border="1" data-bbox="1059 197 1139 996"> <tr> <td>Private Attorneys</td> <td>R10 651 458.08</td> </tr> <tr> <td>State Attorney</td> <td>R494 625.57</td> </tr> </table>	Private Attorneys	R10 651 458.08	State Attorney	R494 625.57
Private Attorneys	R10 651 458.08						
State Attorney	R494 625.57						
43/2015	USAGE OF THE DEPARTMENT OF	<p>Noting that:</p>	<ol style="list-style-type: none"> All infrastructure projects (Capital and Planned Maintenance) on departmental buildings are currently being 				



Resolution No.	Subject	Details	Response by the Department
	PUBLIC WORKS AS THE IMPLEMENTING AGENT OF CHOICE	<p>(a) Many departments continue to use Coega and IDT as implementing agents in their infrastructure projects.</p> <p>(b) Coega and IDT reportedly do not pay their sub contactors on time.</p> <p>The committee resolves that:</p> <ol style="list-style-type: none"> 1. All departments make use of the Department of Public Works as the implementing agent of choice in all their major infrastructure projects. 2. Accounting Officers of all departments provide a list of projects where the Department of Public Works is not used as an implementing agent and provide reasons for this. 	<p>undertaken by the Department of Public Works. The department does however, continue to act as the implementing agent for all road infrastructure projects.</p> <p>2. The only major project where the Department had appointed its own Implementing Agent is the rehabilitation and renovations of the old Orthopaedic Workshop in Prince Alfred Street in Pietermaritzburg. The said facility was allocated to the Department of Transport by the Department of Public Works in July 2010. During this period, Departments were still at liberty to utilise the services of Department of Public Works as the Implementing Agent or alternatively appoint their own Implementing Agents. Before commencing with any alterations and additions to the said facility, it was prudent that the Department obtain the necessary approval from AMAFA which was a lengthy process. The contractor for this project has since been appointed and commenced with the necessary work as at the 10th of February 2015. The contract is for a period of nine (9) months ending on the 9th of November 2015.</p>
44/2015	CONDITIONAL GRANTS EXPENDITURE	<p>Noting that:</p> <p>There are a number of changes to the conditional grant allocations over the 2015/16 MTEF, with these decreasing by R443.018 million in 2015/16, but increasing by R1.986 billion in 2016/17 and R3.319 billion in 2017/18.</p> <p>The committee resolves that:</p> <ol style="list-style-type: none"> 1. Departments spend all their allocated conditional grants in full without overspending, and account properly for the expenditure on conditional 	<ol style="list-style-type: none"> 1. The department has three grants and department fully spent the allocations for 2014/15 and there were no roll-over requests in respect of the grants. 2. To date, the spending on the grants is in line with the projections and the department is projecting to fully spend the grant allocations by year-end. <p>Spending against the various conditional grants is largely on target at R891.196 million as at the end of August against a budget of R2.760 billion. The department is projecting to fully spend its entire conditional grant budget at year end.</p> <p>The breakdown per conditional grant spending is as follows:</p>



Resolution No.	Subject	Details	Response by the Department
45/2015	<p>BUDGETING FOR MAINTENANCE OF IMMOVABLE ASSETS OWNED BY THE PROVINCE</p>	<p>grants.</p> <p>2. Accounting Officers of all departments report on progress on conditional grant expenditure by 30 September 2015.</p>	<p>1. Provincial Roads Maintenance Grant (PRMG) – R494.867 million has been spent against an allocation of R1.779 billion. The balance of R1.284 billion will be fully spend by year end.</p> <p>2. Public Transport Operations Grant (PTOG) – R379.777 million has been spent against an allocation of R924.766 million. The balance of R544.989 million will be spent by year end.</p> <p>3. EPWP Integrated Grant to Provinces – R16.552 million has been spent against an allocation of R55.602 million. The balance of R39.050 million will be spent by year end.</p>
	<p>(a) RESOLUTION 79/2014 - TRANSVERSAL RESOLUTION: MAINTENANCE OF STATE OWNED BUILDINGS</p> <p>The committee noting:</p> <ul style="list-style-type: none"> The high cost of refurbishment and renovation of state owned buildings where routine maintenance has been neglected over a number of years, and The fact that the budget cuts over the MTEF period have necessitated that government departments reduce their <p>The committee resolves:</p> <ul style="list-style-type: none"> That the Accounting Officers, in line with the Government Immovable Assets Management Act (GIAMA), 	<p>1. In terms of the Government Immovable Asset Management Act, 2007 (No. 19 of 2007), the Department of Transport annually compiles its User Asset Management Plan (U-AMP) and submits such to Provincial Treasury and the Department of Public Works as Custodian. The Departments 2016/2017 U-AMP has been completed and submitted to Treasury and Public Works on the 25th of June 2015.</p> <p>2. The attached Annexure A reflects the budget requirements, for the 2015/2016 financial year as well as for the next 3 financial years in respect of the U-AMP to cope with backlog maintenance of facilities:</p> <p>3. As at the end of July 2015, approximately R3 351 059 has been spend on projects undertaken by the Department of Public Works as well as the rehabilitation and renovations to the old Orthopaedic Workshop in Prince Alfred Street.</p> <p>4. In dealing with the backlog maintenance as well as the current maintenance issues, the Department has requested the services of the Department of Public Works to assist the</p>	



Resolution No.	Subject	Details	Response by the Department
		<p>produce an immovable asset management plan that will form part of the strategic planning and budgeting processes of government and to provide for routine maintenance of state owned buildings in their budgets in future and that this matter be revisited during the 2015/2016 budget hearings.</p> <p>(a) Departments have either not budgeted or budgeted inadequately for maintenance and rehabilitation of immovable assets owned by the province.</p> <p>(b) General consensus among experts concludes that 4% of a building's replacement value spent on maintenance is adequate to keep a structure in its new state.</p> <p>(c) A provincial maintenance strategy is being looked at in trying to balance building new structures and maintaining what government already owns.</p> <p>The committee resolves that:</p> <ol style="list-style-type: none"> 1. It will be prudent for all departments to prioritise maintenance and place more emphasis on having all government immovable assets in a usable state. 	<p>Department. The Department is however awaiting the finalisation of the Infrastructure Plan Implementation Program (IPIP) for the 2015/2016 financial year from the Department of Public Works. Once this IPIP is received, the commencement of the 2016/2017 Infrastructure Plan Management Program (IPMP) will commence and the draft will be submitted to the Department of Public Works by the end of August 2015.</p>



Resolution No.	Subject	Details	Response by the Department
46/2015	REVISED ORGANOGGRAMS AND FILLING OF POSTS	<p>2. Accounting Officers of all departments report on progress on expenditure of their infrastructure maintenance and rehabilitation budgets by 30 September 2015</p> <p>Resolution 7812014 - TRANSVERSAL Resolution.' REVISED ORGANOGGRAMS</p> <p>The committee noting:</p> <p>(a) That despite the austere economic climate that the Province is facing in the coming years, departments are producing revised organograms with significantly increased numbers that have little or no prospect of being filled in at least the next five years.</p> <p>(b) That this opinion of the Committee is supported by the ongoing delays, for various reasons, which are experienced in filling vacant funded posts and the continued high vacancy rate across all departments for a number of years, as detailed in the reports of the Auditor-General.</p> <p>The committee resolves:</p> <p>1. That the Accounting Officers of the departments which have already had revised organograms approved by the DPSA be urged to fill posts only in cases where funding is available and where posts are critical for the</p>	<p>The department is currently in the process of finalising the revision of the organisational structure. The MEC has presented the draft of the organisational structure to the MEC Finance and resulting from this presentation Provincial Treasury is in the process of assisting the department with a risk assessment to ensure that all indirect costs associated with the costing of the organisational structure have been taken into account</p>



Resolution No.	Subject	Details	Response by the Department
		<p>functioning of the department.</p> <p>2. That the MECs and Accounting Officers of departments which are in the process of reviewing their organograms be urged to do so within the limits of the budgets that they can expect to receive in the MTEF and in such a manner that salary costs do not undermine service delivery programmes.</p> <p>The committee resolves that:</p> <p>The Accounting Officers of all departments report by 30 September 2015 on progress in implementing Resolution 78/2014</p>	



SCOPA RESOLUTIONS

SCOPA Meetings were held on the following dates:

- 31 July 2015
- 28 October 2015
- 10 February 2016

Resolution No.	Subject	Details	Response by the Department
133/2015	QUALIFICATION PARAGRAPHS	<p>Noting:</p> <p>a) That the 2014/2015 report of the Auditor-General on the Department of Transport reflected no progress in terms of the audit outcomes and continued to reflect a qualified audit opinion.</p> <p>b) That the 2014/2015 audit report was qualified on the following matters:</p> <ul style="list-style-type: none"> i. Immovable assets - The Auditor-General was unable to obtain sufficient appropriate audit evidence to support immovable tangible capital assets amounting to R442, 29 million due to the status of the accounting records. ii. Irregular expenditure - The department did not disclose all irregular expenditure for payments made in contravention of the supply chain management prescripts due to an inadequate system to identify and record irregular expenditure 	<p>The Department has developed an Audit Improvement Strategy which is currently being implemented and monitored to ensure that the Auditor-General recommendations are being implemented for the Department to progress from a qualified audit report to an unqualified or a clean audit.</p> <p>Schedules of irregular expenditure have been received from all regions. The Internal Compliance component is now visiting each region to review and confirm the accuracy of the schedules.</p> <p>As soon as the inspection is finalized, actions will be taken against all those involved in the transgression of any relevant prescripts. The root causes of all the irregular expenditure identified are considered and the process of disciplinary actions is currently being facilitated against responsible officials. To date disciplinary process have commenced against three middle management officials in relation to irregularities identified by the audit of the Auditor-General</p>



Resolution No.	Subject	Details	Response by the Department
134/2015	FINDINGS ON PREDETERMINED OBJECTIVES	<p>The committee resolves:</p> <ol style="list-style-type: none"> 1. That the Accounting Officer reports by 31 January 2016 on: <ol style="list-style-type: none"> (a) Progress made in the compliance inspection undertaken to identify the full value of the irregular expenditure and the documentation on evaluation of suppliers onwards. (b) The finalisation of all investigations identified and corrective actions implemented as recommended. 2. That Provincial Treasury provide a progress report has gone in assisting the Department in dealing with prior amounts arising from previous years and where documentation is no longer available to the Department by 31 January 2016. <p>Noting:</p> <p>That the Auditor-General findings indicated that some performance data was not reliable when compared to the source information or evidence provided. This was due to lack of frequent review of the validity of reported achievements against source documentation.</p> <p>The committee resolves:</p> <p>That the Accounting Officer reports by 31</p>	<p>The department has in place a policy and framework for Monitoring and Evaluation, including procedure manuals for managing performance information. The Monitoring and Evaluation has workshopped the procedure manuals so as to ensure adherence with this tool. Different levels of responsibility require the validation of information at all stages of the value chain. This is continuously reiterated to all levels of management in the department. Monitoring and Evaluation has put in place an output variation report which is circulated to all components so as to validate the information. Furthermore, Monitoring and Evaluation on quarterly basis goes out to all sections to validate information. Discrepancies that are found are brought to the attention of the responsible section so as to</p>



Resolution No.	Subject	Details	Response by the Department
135/2015	COMPLIANCE WITH LEGISLATION	<p>January 2016 on progress in improving record keeping and reviewing the validity of reported achievements and performance information</p> <p>Noting:</p> <p>(a) The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1)(a) of the PFMA.</p> <p>(b) Effective, efficient and transparent systems of risk management and internal control with respect to performance information and management were not in place.</p> <p>(c) Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A6.1.</p> <p>The committee resolves:</p> <ol style="list-style-type: none"> The Accounting Officer provides a detailed report by 31 January 2016 on: <ol style="list-style-type: none"> An action plan related to addressing to all audit findings. Provide a report on cases where 3 quotations were not provided and 	<p>effect the necessary changes. The relevant sections are therefore required to align their reporting with the evidence available and validated information by M&E.</p> <p>1(a). The audit improvement strategy has been developed and it is currently being monitored.</p> <p>1(b). A directive from the HOD was sent to all relevant Responsibility Managers instructing them to institute the necessary investigations and subsequent corrective actions, to address the findings of the Auditor-General. Responses have been received from all regions and Internal Compliance is now reviewing the transactions to confirm the correct classification.</p> <p>2. The Department has had engaged with the Department Economic Developments, Tourism and Environmental Affairs and have agreed on meeting to discuss the strategy that is followed in addressing audit queries. The Department had further contacted the Department of Public Works to benchmark on the strategy followed to address audit matters</p>



Resolution No.	Subject	Details	Response by the Department
150/2015	TRANSVERSAL RESOLUTION - IRREGULAR EXPENDITURE, NONCOMPLIANCE WITH SUPPLY CHAIN MANAGEMENT PROCESSES	<p>details of the action taken against the officials responsible.</p> <p>2. To recommend that the Department of Transport engage the Department of Economic Development, Tourism and Environmental Affairs on how it dealt with resolving its audit issues.</p> <p>Noting:</p> <p>(a) That unauthorised expenditure incurred in 2014/2015 financial year amounted to R143.27 million.</p> <p>(b) That irregular expenditure incurred amounted to approximately R1.65 billion.</p> <p>(c) That the majority of irregular expenditure was incurred through non-compliance with Supply Chain Management processes, in the competitive bidding process not being followed, month to month contracts, three quotes not requested prior to procurement and over expenditure on transfers and subsidies</p> <p>(d) That for the last four years the Public Accounts Standing Committee has been calling for the Accounting Officers to act in terms of section 38(1)(h)(iii) of the Public Finance Management Act to take effective and appropriate disciplinary steps against any official in the service of the department who</p>	<p>5.</p> <p>i. Schedules of all irregular expenditure have been received from all regions and the Internal Compliance unit is currently investigating all recorded transactions in order to confirm the value to be recorded and the disciplinary action required.</p> <p>ii. The matters assessed by Provincial Treasury relate to ongoing criminal investigations and can only be finalised once this process has been completed.</p> <p>iii. N/A</p> <p>iv. The department is in the process of establishing the Irregular Expenditure committee. The members of the committee have been identified and appointments to follow after the finalization of the Terms of Reference.</p>



Resolution No.	Subject	Details	Response by the Department
		<p>from prior years.</p> <p>3. That the Public Accounts Standing Committee supports the initiative of Provincial Treasury to withhold payment of performance bonuses to Accounting Officers and Senior Managers in departments where irregular expenditure continues to be incurred from year to year without improvement, provided proper legal processes have been followed prior to taking this action to avoid legal action being taken against the Provincial Government by individuals.</p> <p>4. That Provincial Treasury reports by 31 January 2016 on the legal position and processes involved in taking the action of non-payment of performance bonuses to Accounting Officers and Senior Management as stated above.</p> <p>5. That the Accounting Officers of the departments and the Accounting Authorities of the public entities who incurred irregular expenditure report by 30 April 2016 on:</p> <ul style="list-style-type: none"> i. What disciplinary steps have been taken for financial misconduct against those officials responsible for the irregular expenditure ii. Recovery of money from those 	



Resolution No.	Subject	Details	Response by the Department
151/2015	<p>TRANSVERSAL RESOLUTION – 2014/2015 FRUITLESS AND WASTEFUL EXPENDITURE</p>	<p>responsible in cases where it has been determined in consultation with Provincial Treasury that further investigation and disciplinary action is required.</p> <p>iii. If no disciplinary steps can be taken, the Accounting Officer or Accounting Authority must provide reasons for this.</p> <p>iv. What measures are being put in place to ensure that irregular expenditure is properly disclosed in the Annual Financial Statements and not left to the Auditor-General to detect during the audit process</p> <p>6. That Provincial Treasury report by 31 January 2016 on the steps that it has taken in terms of Treasury Regulation 4.1.3 to ensure that the relevant Executive Authority initiates an investigation into alleged financial misconduct committed by Accounting Officers of departments who have incurred irregular expenditure.</p> <p>Noting: That some provincial departments and entities incurred fruitless and wasteful expenditure in the 2014/2015 financial year.</p> <p>The committee resolves: That the Accounting Officers report by 31</p>	<p>Interest was incurred as a result of a delayed SARS pay-over transaction during 2011/12 financial year. No action could be taken as the delays were due to delays in the communication of payments made by the regions and the tight payment deadlines set by SARS. Measures have been but in place to ensure that monthly payments are processed to SARS timeously.</p>



Resolution No.	Subject	Details	Response by the Department
152/2015	TRANSVERSAL RESOLUTION – FINDINGS OF THE AUDITOR-GENERAL ON INFORMATION TECHNOLOGY	<p>January 2016 on the following:</p> <ol style="list-style-type: none"> 1. The reasons for the fruitless and wasteful expenditure being incurred in the 2014/2015 financial year. 2. Action taken against those officials responsible for incurring the fruitless and wasteful expenditure. 3. Recovery of money from those responsible and 4. Measures put in place to ensure that fruitless and wasteful expenditure does not occur in future. <p>Noting:</p> <ol style="list-style-type: none"> (a) That over the past five financial years the Committee had expressed its concerns on the findings of the Auditor-General on Information Technology issues in Transversal Resolutions (b) That the resolutions and the responses received from the Accounting Officers of the Departments to the transversal resolutions have not resulted in improvement in the findings of the Auditor-General in recent years. (c) The discussion in the Committee meeting on 25 February 2014 on possible action to be taken by SITA (State Information and Technology Agency) to address some of the findings of the Auditor-General on 	<p>1. The department developed its framework which was approved in March 2014. The implementation of the Framework is a 3-year project. Implementation shall be as per areas below:</p> <ul style="list-style-type: none"> • Corporate Governance of ICT Framework • Corporate Governance of ICT Policy • Corporate Governance of ICT Charter • 12 COBIT areas • ICT Strategic Planning Policy • Enterprise Architecture Policy • ICT Portfolio, Programmes and Project Management Policy <p>2. The following policies have been developed in line with the framework:</p> <ul style="list-style-type: none"> • Risk Management Policy (incorporates ICT Risks) • Information Security Policy • Business Continuity and ICT Disaster Recovery Policy



Resolution No.	Subject	Details	Response by the Department
		<p>Information Technology. The committee resolves: The Accounting Officer in the Department of the Premier be requested to report by 31 January 2016 on the following matters –</p> <ol style="list-style-type: none"> 1. Progress that has been made in the province to adapt and implement the national IT Governance Framework which was approved by the DPSA. 2. The provisions in the framework that address IT governance, security management, user access management and service continuity and how these will be addressed in order to resolve the ongoing audit issues on IT. 3. The plan for support and training to be provided to departments to implement the framework. 4. How the province will address the lack of a strategic plan for purchase of IT systems in all departments. 5. That the Accounting Officer meets with Provincial Treasury and SITA to discuss the proposed action plan from SITA and reports back to the committee thereon as part of the report requested above. 6. That the Portfolio Committees be 	<ul style="list-style-type: none"> • Government Wide Enterprise Architecture (GWEA) • ICT Strategic Plan <p>Implementation of the abovementioned policies ensures that audit issues are addressed. However, an audit response plan is also developed with Internal Audit monitoring its implementation thereof.</p> <ol style="list-style-type: none"> 3. In the review of the Department's organisational structure, a post has been suggested for a Deputy Manager: IT Governance, who shall ensure that the framework is duly implemented. SITA has also been requested to assist the department in the implementation of the framework and testing of the policies such as the DRP and BCP. 4. PGITOC has requested SITA to provide a dashboard of all projects currently implemented and to be implemented in the future by all Provincial Departments. This shall assist in coming up with a strategy to purchase systems and identify joint projects. 5. A meeting had been requested between SITA and the Accounting Officer, however, has not yet materialised. It shall be prioritised in the las quarter of 2015/16. 6. Audit plans are being addressed and monitored in the Department by Internal Auditing.



Resolution No.	Subject	Details	Response by the Department
153/2015	TRANSVERSAL RESOLUTION – HUMAN RESOURCES MATTERS – FUNDED VACANT POSTS NOT FILLED WITHIN 12 MONTHS	<p>requested to monitor departments' action plans to address audit findings on Information Technology on a monthly basis.</p> <p>Noting:</p> <p>(a) The high number of vacancies that exist in senior management positions within departments and public entities and the adverse effect this is having on the findings of the Auditor-General particularly in the financial and performance management, compliance with laws and regulations, leadership and governance.</p> <p>(b) That certain departments and public entities were experiencing difficulties in their recruitment processes, including delays due to verification of qualifications and vetting of applicants and having to advertise posts a number of times due to applicants not being suitable for the position.</p> <p>The committee resolves:</p> <p>That the Accounting Officers of the relevant departments report by 31 January 2016 on the following:</p> <ol style="list-style-type: none"> 1. A list of vacant senior management posts in their respective departments. 2. What action is being taken in the departments and public entities to 	<ol style="list-style-type: none"> 1. A list of vacant Senior Management Service posts as at 14 January 2016 is attached. 2. 6 of the 12 vacant Senior Management Service posts on the Departments approved Structure have been advertised and are in the various stages of filling (e.g. short-listing / interviews). Of the remaining 6 posts, 2 are awaiting the finalisation of the review of the organisational structure before they can be submitted for job evaluation, 2 posts are awaiting job evaluation before they can be advertised and 2 posts are to be submitted to the Premier for authority to fill before they can be advertised. <p>The Department is prioritising posts for advertising and filling in terms of their criticalness. There are employees appointed to act in key vacant posts to ensure continued service delivery whilst the review of the organisational structure is being finalised / posts are awaiting job evaluation or authority to fill. This Department has finalised Phase 1 of the new approved organisational structure and is in line with Service Delivery requirements</p>



Resolution No.	Subject	Details	Response by the Department
154/2015	<p>TRANSVERSAL RESOLUTION – MATERIAL MISSTATEMENTS AND OMISSIONS IN SUBMITTED ANNUAL FINANCIAL STATEMENTS</p>	<p>address the findings of the Auditor-General with regard to the filling of vacancies in senior management positions?</p> <p>3. Implementation of the directive from the National Minister of Finance that vacant funded posts in departments which have been vacant for more than 12 months must be frozen, which key vacancies will be affected by this directive and the impact of this on service delivery in the departments.</p> <p>4. That the Portfolio Committees be requested to monitor filling of all vacant funded posts in departments, especially key positions and senior management positions.</p> <p>Noting:</p> <p>(a) That the audit finding on material misstatements and omissions in the Annual Financial Statements submitted to the Auditor-General for audit purposes has been reoccurring in the majority of departments and certain public entities over a number of years.</p> <p>(b) That the audit outcomes of these departments and public entities would have been qualified if the adjustments had not been made by the Auditor-General.</p> <p>(c) That it is the responsibility of the</p>	<p>Financial statements are prepared and submitted to Provincial Treasury on a quarterly basis and are reviewed by the CFO for accuracy. The Interim Financial Statements for the 6 months ending 30 September 2015 are in the process of being audited by Internal Audit Services.</p>



Resolution No.	Subject	Details	Response by the Department
		<p>Accounting Officer in terms of Section 40(1)(b) of the Public Finance Management Act to prepare the financial statements for each financial year in accordance with generally recognised accounting practice and that failing to do so constitutes misconduct in terms of Section 81(1)(a) of the Act.</p> <p>(d) That the Public Accounts Standing Committee is very concerned at the recurring findings of the Auditor-General on this matter over a number of years which indicates a lack of proper financial accounting and financial management skills within these departments and public entities.</p> <p>The committee resolves:</p> <ol style="list-style-type: none"> 1. That in compliance with Section 40(1)(b) of the Public Finance Management Act, Accounting Officers be requested to ensure that financial statements are prepared regularly during the financial year and that due diligence is exercised to ensure that the financial statements are correct in all respects and that the financial statements are submitted to Internal Audit and the Provincial Audit and Risk Committee timeously. 2. That all Accounting Officers report by 31 January 2016 on action taken to resolve this audit issue. 	



Resolution No.	Subject	Details	Response by the Department
155/2015	<p>TRANSVERSAL RESOLUTION-FINDINGS OF THE AUDITOR-GENERAL ON SCM MANAGEMENT (FAILURE BY SUPPLIERS TO DISCLOSE EMPLOYMENT BY THE STATE)</p>	<p>Noting:</p> <p>(a) That the Departments of Education, Health, Human Settlements, Transport and Sport and Recreation made awards to suppliers who were employed by the state who:-</p> <p>(i) failed to declare that they or their directors/ members were employed by the state; and</p> <p>(ii) failed to submit proof of authority to perform remunerative work outside of their employment in the state;</p> <p>(b) That the Standard Bid Document (SBD 4) compels bidders to submit a declaration of interest disclosing the names and identity numbers of their directors/ members/ trustees and shareholders, as well as their PERSAL numbers;</p> <p>(c) Accounting Officers/ Authorities are required to verify the identity numbers of the preferred bidder(s) to determine whether or not any of the directors/ members/ trustees/ shareholders are employed by the state, and to ensure that employees of the state are authorised to perform outside remunerative work, before awarding the bid; and</p> <p>(d) If a bidder ,director, member,</p>	<p>1. The Department has perused the cases raised in the audit and the following was established. And the cases are grouped as follows</p> <p>(a) Officials employees by public entities – The Department relies on PERSAL checks and these officials could not be identified as being employees of the state, as they are not recorded on PERSAL</p> <p>(b) Official employed by provincial government department. The Department is currently investigating these matters, as it appears that information was intentionally omitted from the declarations from the tendering entities in order to bypass these checks.</p> <p>ii. The department is currently investigating all these cases to identify whether the appropriate disclosures were made in the tender responses whether remunerative Work outside Public Service (RWOPS) approval was obtained. This investigation will identify the disciplinary action required and the amounts to be recovered from the official.</p> <p>iii. The actions to be considered immediately after finalization of investigations.</p> <p>2. The Department developed a procedure to ensure that all quotations over R30,000 and tenders are verified against PERSAL. This procedure was re-circulated on 12 November 2015 to remind the officials of the procedures to be followed and to improve controls over the procurement process.</p>



Resolution No.	Subject	Details	Response by the Department
		<p>shareholder or trustee is employed by the state and has failed to make the declaration in the bid documents or to submit proof of authority to perform outside remunerative work, the bidder may be disqualified, and the matter must be dealt with as financial misconduct and the relevant Accounting Officer/Authority must take the necessary disciplinary action against the official concerned</p> <p>The committee resolves:</p> <ol style="list-style-type: none"> 1. That the Accounting Officers of the Departments of Education, Health, Human Settlements, Transport and Sport and Recreation report by 31 January 2016 on:- <ol style="list-style-type: none"> (i) the reasons for the failure to perform the necessary verification resulting in the audit findings; (ii) the steps taken to ensure that the audit findings are addressed; (iii) the action taken against those officials responsible for the audit findings; and (iv) the disciplinary steps taken against the bidder(s) who were awarded bids but who failed to disclose that they were employed by the state or who did not have authority to perform outside remunerative work; 2. That the Accounting Officers of all 	<p>From 1 April 2016 these checks will be automatically performed on the Central Suppliers Database maintained by National Treasury.</p>



Resolution No.	Subject	Details	Response by the Department
157/2015	<p>TRANSVERSAL RESOLUTION: PERFORMANCE AGREEMENTS</p>	<p>Departments report by 31 January 2016 on measures taken to ensure that:-</p> <ul style="list-style-type: none"> (i) the required verification is performed at all times; (ii) bidders who fail to make the necessary declaration are disqualified; and (iii) Disciplinary action is taken against a bidder who fails to declare that they are employed by the state or to submit proof of authority to perform outside remunerative work. <p>The committee resolves:</p> <p>That the MECs of departments be requested to report by 31 January 2016 on:</p> <ul style="list-style-type: none"> 1. Whether the Accounting Officers and Senior Managers in their departments have all signed performance agreements and if not, the reasons for non-compliance in this regard. 2. Whether performance agreements clearly set out the consequences for non-performance and under-performance on responsibilities set out in the agreements and financial mismanagement and the sanctions which will be imposed in the event of non-performance, under-performance or financial mismanagement 3. Whether performance agreement 	<ul style="list-style-type: none"> 1. This is to confirm that the Accounting Officer and all Senior Management Service Members of this Department have signed Performance Agreements. Senior Management Service Members are requested at the commencement of a performance cycle to sign and submit their performance agreements by the due date. Reminders for performance agreements that are outstanding are sent via e-mail and the General Manager: Human Resource Management also reports back at EXCO and MANCO meetings on performance agreements which are outstanding. If after this there are still performance agreements outstanding, the Head of Department is informed of such for his intervention. 2. This Department utilises the performance agreement template issued by the Department of Public Service and Administration. Item 8 of the performance agreement template makes provision for actions to be taken to address poor/non-performance which must be based on Chapter 4 of the SMS Handbook. 3. Not all the performance agreements of Senior



Resolution No.	Subject	Details	Response by the Department
161/2015	DEPARTMENT OF TRANSPORT (VOTE 12): 2014/2015 UNAUTHORISED EXPENDITURE OF R1 064 000	<p>include as a key performance indicator the general responsibilities of the Accounting Officers and Senior Managers to prevent unauthorised expenditure, irregular expenditure or fruitless and wasteful expenditure, and if not, the reasons for this exclusion.</p> <p>Noting:</p> <p>(a) That the relatively minor unauthorised expenditure amounting to R1 064 000 was as a result of overspending of the Vote, under Programme 2: Transport Infrastructure, resulting from increased construction costs.</p> <p>(b) That the approval of the unauthorised expenditure of R1 064 000 will affect the cash position of the Provincial Revenue Fund but is well within the overall Provincial savings realised in 2014/15.</p> <p>The committee resolves:</p> <p>That in terms of Section 34(1) of the Public Finance Management Act the unauthorised expenditure disclosed in the 2014/2015 annual financial statements of the Department of Transport amounting to R1 064 000 be approved as a direct charge against the Revenue Fund.</p>	<p>Management Service Members include the general responsibilities to prevent unauthorised expenditure, irregular expenditure or fruitless and wasteful expenditure as a key performance indicator. The SMS Handbook does not make it mandatory for such to be included. This is generally covered in the letter appointing the Senior Management Service Member as a responsibility manager</p> <p>The resolution is noted.</p>



REPORT OF THE AUDIT AND RISK COMMITTEE ON VOTE 12 – TRANSPORT

1. Objective and responsibility of the Audit and Risk Committee

The Provincial Audit and Risk Committee (PARC) is the shared audit and risk committee for the provincial departments and is further sub-divided into three Cluster Audit and Risk Committees (CARC’s) that provide oversight of key functions to the KZN Provincial Government Departments. The Department of Transport is served by the Economic Cluster Audit & Risk Committee.

The PARC is primarily responsible for reviewing the following:

- (a) the effectiveness of the internal control systems;
- (b) the effectiveness of the internal audit function including its annual work programme, co-ordination with external auditors, the reports of significant investigations and responses of management to specific recommendations;
- (c) the risks associated with the Department’s operations covered in the scope of internal and external audits;
- (d) the adequacy, reliability and accuracy of the financial and performance information provided to management and other users of such information;
- (e) any accounting and auditing concerns identified as a result of internal and external audits;
- (f) the effectiveness of strategies, policies and procedures to prevent and detect fraud and corruption and
- (g) the institution’s compliance with legal and regulatory provisions.

The Committee reports that it has discharged all of its responsibilities in compliance with the Public Finance Management Act, No.1 of 1999 (PFMA), Treasury Regulations 3.1, including all other related prescripts, that it has adopted appropriate formal terms of reference contained in its Audit and Risk Committee Charter. The Committee is pleased to present its report for the financial year ended 31 March 2016.

The PARC was appointed on 23 February 2015. During the financial year under review, certain terms and conditions of the members’ conditions of appointment were amended and the contracts of five members were renewed effective from the 30th of October 2015. The table below also outlines the PARC and Economic CARC meetings held and attendance thereof by members during the reporting period.

2. Audit Committee Members and Attendance

The PARC was appointed on 23 February 2015. During the financial year under review, certain terms and conditions of the members’ conditions of appointment were amended and the contracts of five members were renewed effective from the 30th of October 2015. The table below also outlines the PARC and Economic CARC meetings held and attendance thereof by members during the reporting period.

	Name of Member	PARC Meetings Attended	Economic Meeting Attended	Special Meetings
1	Mr. S. Simelane (Acting Chairman of PACR and Economic CARC)	3	4	2
2	Mr. V. Ramphal	3	4	2
3	Mr. P. Christianson	3	2	2
4	Mr. D.O. Connor	3	N/A	2
5	Ms. T. Njozela	2	N/A	2



3. The Effectiveness of Internal Control

The Committee has reviewed the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and Management Report of the Auditor General of South Africa (AGSA) and has noted with concern, the weaknesses in controls around the following areas:

- Inventory Management
- Labour Relations
- Human Resource Management
- Expenditure Management- Irregular Expenditure
- Immovable Tangible Capital Assets
- Performance Information
- Commitments
- Expenditure for Tangible Capital Assets
- Asset Management

4. Risk Management

The Committee has, as defined in its Charter, adequately provided oversight on management’s processes of identifying and monitoring business risks. For the period under review, the committee’s responsibilities have been focused, among other things, on the quarterly review of the department’s risk register and progress made by the department with regard to implementation of risk mitigation plans. The Department has constantly been advised about best practices to consider to improve the management of key business risks and opportunities.

	Risk Grouping					Total
	Critical	Major	Moderate	Minor	Insightful	
Numver of risks identified	2	1	12	2	6	23
Number action plan identified	5	4	26	3	4	45
Number of action plans completed	6	4	15	2	1	28

The Committee is concerned about the slow progress made by the department in addressing risks categorised as Moderate. The Committee has also been concerned about the department’s failure to review and update its risk register on a regular basis. The department is, therefore, urged to treat the risk register as a dynamic document which should be reviewed and updated continuously to include emerging risks, and risk that has materialized. Furthermore, the department was urged to improve its risk management systems and procedures to ensure the linkage to department’s business strategy (encompassing its vision, mission and objectives), its operational imperatives and philosophies, policies plans and initiatives with positive impact on service delivery.

5. Forensics Investigations

During the period under review, the Committee noted that there were thirty one (31) forensic investigations, all relating to alleged procurement, HR irregularities and mismanagement of funds, which the department has referred to the Provincial Internal Audit Services for investigation. Twelve (12) of these investigations were completed and nineteen (19) are in-progress. The department and the Provincial

Internal Audit Service are urged to promptly finalize the outstanding investigations, and work together to implement recommendations on the finalised investigation.

6. Quality of in year management and monthly/quarterly reports

The Committee was satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance reports submitted in terms of the PFMA and the Division of Revenue Act prepared and issued by the Accounting Officer of the Department during the year under view.

Based on the reports of the Internal Auditors and the Auditor General, the Committee notes with concerns the deficiencies identified in the usefulness and reliability of reported performance information due to the failure of the Department to implement adequate systems to collect, collate, verify and retain performance related data. The management of the department has been urged to implement the appropriate improvement strategies in order to address the identified shortcomings with immediate effect.

7. Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the Annual Financial Statements Report, with the Auditor General and the Accounting Officer; concerns have been noted around the disclosure of irregular expenditure which were understated by R7, 88million; sufficient appropriate audit evidence to support the immovable tangible capital assets to the value of R256,66 million could



not be obtained; overstatement of tangible assets by R338,89 million and sufficient appropriate evidence could to confirm expenditure for capital assets stated at R4,03 billion could not be obtained. It should also be noted that sufficient appropriate audit evidence to support the commitments as the Department did not maintain accurate and complete records of contractual information supporting commitment. Furthermore, the Department disclosed retention monies held on construction contracts as commitments. Material impairments to the value of R605, 50 million were incurred as a result of annual review of recovery accrued departmental revenue. The Department is a defendant in various claims and no provision for any liability that may result has been made in the financial statements;

- Reviewed the Auditor General's Management Report;
- Reviewed the Department's processes for compliance with legal and regulatory provisions, concerns have been noted around effective and efficient and transparent system of risk management and internal control with respect to performance information; the financial statements

submitted for auditing were not prepared in accordance with prescribed financial reporting framework and supported by full and proper records; procurement and contract management and failure to prevent irregular expenditure as a result of non-compliance to supply chain management prescripts;

- Reviewed the qualified conclusion on the reliability of performance information resulting from the audit of the Department, we note with concern that the significantly important targets were not reliable when compared to the source information or evidence provided.

8. Internal Audit

In line with the PFMA and the King III Report on Corporate Governance, the Internal Audit Function is required to provide the Audit & Risk Committee, as well as Management, with reasonable assurance on the adequacy and effectiveness of internal controls. This is primarily achieved through the implementation of a risk based Internal Audit plan. The Committee has, through the CARC monitoring processes, considered internal audit reports at its quarterly meetings detailing the assessment of the adequacy and effectiveness of controls designed to mitigate the risks associated with operational and strategic activities of the department. The Committee also considered the appropriateness of the corrective actions proposed by management to improve the control environment.

The Committee has noted with concern, imposed financial and other limitations place upon Internal Audit during the year under review. During the forthcoming financial year, the Committee will monitor the progress made by the Internal Audit Function in resolving any potential budgetary or operational difficulties in order to ensure that it fulfills its mandate and continues to add value to the department.

9. Auditor-General's Report

The Committee has monitored the implementation of corrective action plans to address the audit issues raised by the Auditor General in the prior financial year. Furthermore, the Committee has met with the Auditor General of South Africa to discuss and evaluate the major issues that emanated from the current regulatory audit.

The Committee will ensure that corrective actions in respect of detailed findings emanating from the current regulatory audit continued to be monitored on a quarterly basis through the CARC processes.

The Committee notes the Auditor General's qualified opinion regarding the Annual Financial Statements, and proposes that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor General.

10. Appreciation

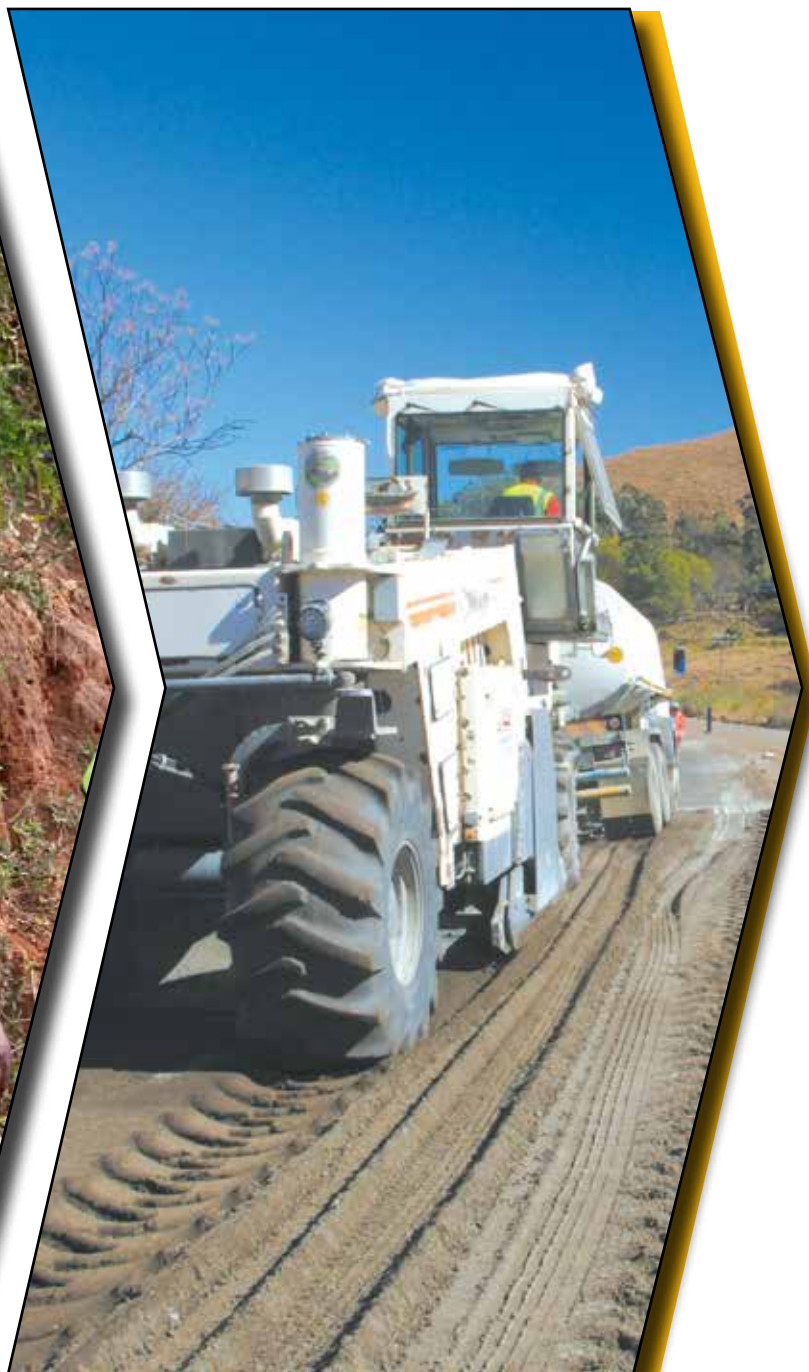
The Committee wishes to express its appreciation to the Management of the Department, the Auditor General of South Africa, and the Provincial Internal Audit Services for the co-operation and support they have provided to enable us to compile this report.

Mr S Simelane

Acting Chairman: Provincial Audit and Risk Committee

05 August 2016





PART D

Human Resources

Road Safety is our collective responsibility.



INTRODUCTION

• The status of human resources in the department

The Human Resource Management Branch is responsible for the provision of efficient human resource management practices and administration services and the development of human resource strategies; management of the departmental human resources development; provision of organisational development services; provision of harmonious employer-employee relations and ensuring the effective utilisation of resources. Women at SMS level accounted for 18 (50%); and men 18 (50%). The number of people with disability was 27 (0.71%).

50:50 Representation of females and males in senior management.

• Human resource priorities for the year under review and the impact of these

Reduction of the vacancy rate to at least 10%. The filling of vacant posts will contribute to improved service delivery. Development and Training to improve the competency levels of employees and prospective employees through capacity development activities, such as, internships, learnerships, Apprenticeships, bursaries, continuous development of employees, Adult Education & Training and skills programmes, and thereby ensure a constant pool of productive and contributing employees to ultimately achieve departmental strategic objectives and the Government's Programme of Action in terms of qualifications, skills & competencies.

Employment equity to ensure that the workforce is reflective of the provincial demographics and a decrease in terms of gender and racial imbalances within the department.

Health and wellness of employees to ensure a safe work environment, healthier and knowledgeable workforce with the ultimate aim of good governance and corporate culture within the department.

Human Resource Information Systems: Inaccurate training and development record-keeping to assist with the accurate monitoring of competency development within the department. Monitoring of PERSAL Audits and ensuring PERSAL Users are developed through training.

• Workforce planning and key strategies to attract and recruit a skilled and capable workforce

Ongoing implementation of OSD for engineers and related professionals to assist in managing the career paths of existing employees in these occupations as one of the objectives of the OSD, amongst others, is to provide for grade and accelerated grade progression such as automatic promotion to a higher grade after serving the required number of years.

A departmental Policy on the Retention of Employees was implemented in April 2012 and provides a framework for the retention and attraction of employees, particularly

those who possess the skills necessary to realise and meet the strategic objectives and service delivery needs of the department.

• Employee performance management

Employee performance management is aimed at planning, managing and improving employee performance. The aim of performance management is to optimise every employee's output in terms of quality and quantity, thereby improving the department's overall performance and service delivery. The primary orientation of performance management shall be developmental but shall allow for effective response to consistent inadequate performance and for recognising outstanding performance.

Chapter 4 of the Senior Management Service (SMS) Handbook provides a framework for the management of performance for employees on remuneration band A to D (salary levels 13 to 16). The Provincial EPMDS Policy provides a standardised framework for employee performance management on salary levels 1 to 12, which is inclusive of employees covered by an occupational specific dispensation (OSD) and employees in elementary occupations in a department and whilst it shares similarities and must be linked with the SMS PMDS, it is a distinct policy framework and system.

Employee performance management is not applicable to departmental, component or team performance management or assessment but linked to individual performance, thus promoting individual growth and development, as well as impacting on career-pathing.

• Employee wellness programmes

Whilst there has been a number of strides made towards aligning the internal EH&W programme to the Public Service EH&W framework, there is still a number of challenges in terms of linking the interventions to organisational performance. Worth noting is the fact that the EHW unit has been plagued with human capacity deficit to the extent that the employment of Deputy Director: OHS has not been realised.

• Achievements and challenges faced by the department, as well as future human resource plans and goals

During the period under review the unit successfully achieved most of the targets it had set for itself. Amongst its achievements are:

In terms of employment equity, the Department has managed to achieve and maintain 50% Women at SMS levels.

Number of employees accessing incapacity leave is 136 (3.65%) out of 3918 employees. A total number of 15 employees exited the Adult Education Training programme.

Training of supervisors/managers on the implementation of the performance management and development policy and procedures.



The unit has successfully implemented some of planned Human Resource Planning strategies for the year, thereby ensuring a well capacitated and healthy workforce that is appropriately skilled and empowered.

The Employee Health and Wellness Section within HRM continues to make a visible impact on the lives of employees by undertaking monthly clinics, with noticeable improvements in the planning of the department's Wellness and Sports days. Monthly articles instilling responsible life style disease management as well as encouraging physical fitness and awareness are distributed throughout the department and have been extremely well received.

The Unit continues with strategies to rigorously reduce its vacancy rate and at the same time improve EE targets of women in management and people with disabilities. Integrated efforts of the sections within HRM ensured a strong drive for policy compliance, responsible sick leave management, well aligned Departmental structures, adequately skilled employees and a healthy and well informed workforce.

The Departmental Workplace Skills Plan for the financial year 2015/16 and Annual Training Report 2014/15 were successfully completed and approved by the Head of Department and submitted to PSETA before the deadline date i.e. 30 April 2015.

An appropriation of R8 288 780.00 (50% of the 1% annual personnel budget) was set aside for the training and development of personnel within the Department for the 2015/16 financial year. A total of R8 746 268.68 was expended on short courses and skills programmes.

Technical training programmes were implemented through the Technology Transfer Centre via external Training Providers/ ECSA to ensure that the core functions in the Department could be achieved.

The Traffic Training College provided training to 91 Trainee Provincial Inspectors and they successfully completed the Traffic Officers Diploma in December 2015.

Generic and Transversal training programmes and Leadership and Management Development Programmes were provided by the Provincial Public Service Training Academy and only critical training was provided by external Training Providers. A total of 701 officials were trained in the Department.

The Department has committed itself to providing the Adult Education and Training Programme (AET) to the illiterate and semi-literate employees of the Department. The Department has budgeted R9 027964.60 for the AET Programme for the 2015/16 financial year which includes the payment of the AET Educators, Stationery and AET Literacy Day Celebrations. The October/ November 2015 examination results are as follows:

Level 1: 3 registered, 3 wrote, 3 passed

Level 2: 7 registered, 7 wrote, 7 passed

Level 3: 24 registered, 23 wrote, 22 passed, 1 failed, 1 absent

Level 4: 62 register, 49 wrote, 47 passed, 2 failed, 13 absent

During the 2015/16 financial year 12 learners have successfully completed the NQF Level 1 / General Education and Training Certificate and are awaiting certification from the Department of Education.

South Africa is faced with the challenge of a very high rate of unemployment, particularly amongst the youth. The problem of unemployment is exacerbated by a lack of appropriate skills. Internships are seen as a mechanism through which this lack of skills can be addressed to make the unemployed graduates more employable.

The Department has committed itself to implementing the Internship Programme by budgeting annually for the intake of unemployed graduates.

During the 2015/16 financial year 39 interns were recruited by the Department. The interns commenced in June 2015.

All Interns underwent the Breaking the Barriers into Entry in the Public Service Induction Programme.

The Heavy Earthmoving Apprenticeship Programme was approved in 2014. All recruitment processes were successful and 12 Apprentices commenced on 20 April 2015. The second group commenced on 20 July 2015. The Service provider is Bell Equipment.

A MoU was signed with TETA and they will provide partial funding for the Apprenticeship Programme. The funding has alleviated the burden of the Department financing the programme. The first tranche of R1 125 000.00 has already been paid by TETA to the Department.



39 Interns recruited.

All 12 Apprentices from Group 1 and Group 2 successfully completed Phase 1 and 2 of Bell 1 (Institutional Training) with 80% and above. In 2016, Apprentices with no N2 certificates were enrolled at TVET Colleges and other Apprentices are placed at the Departmental workshops for on-the job training.

The Department implemented an Internal Audit Technician Learnership in May 2013 and training was modular training and was completed in May 2015. 21 officials from the Internal Compliance Sub-Directorate as well as Compliance Officers from Motor Transport Services were on the Learnership Programme. When officials complete the Learnership, they will obtain an NQF level 6 qualification from the Institute of Internal Auditing.

There were five sessions of CIP held for Levels 1-5 in 2015 and 105 officials attended. In February 2016 to date, only 3 sessions have been conducted for Levels 6-12 and 74 officials attended. The probation of all these officials has been confirmed. A total amount of R339 556 was used to procure CIP Training material.

The WIL Programme targets students who are in their third year of studies and require in-service training/ work integrated learning for a prescribed period of time in order to qualify for a qualification in the relevant field of study.

In 2015, 16 WIL students were placed in the Department. The Department currently has a MoU with Majuba TVET



College.

Bursaries are one of the Capacity Building initiatives within the Department to get skilled and capable workforce for service delivery. In 2015 the Department offered 10 bursaries in BSc Civil engineering and 1 in BTech Civil Engineering. There are 2 students who have completed their National Diplomas in Civil engineering and 1 student has completed a BSc degree in Mechanical Engineering and 1 student completed a BTech in Civil Engineering in 2015. These students have been placed in various cost centers to full fill their bursary obligations.

Bursaries are one of the Capacity Building initiatives within the Department to get skilled and capable workforce for service delivery. In 2015 the Department offered 20 bursaries in the following fields:

- Degree: Transportation Engineering
- Degree: Public Management
- Diploma: Real Estate
- Diploma: Office Management & Technology
- Bachelor of Commerce: HRM
- Diploma: Public Administration & Management
- Diploma: Safety Management
- Diploma: Metropolitan & Traffic Policing
- Diploma: Public Relations

There is 1 student who has completed their National Diploma in Public Management and 1 student has completed a Bachelor of Commerce Management qualification in 2015.

20 Bursaries offered to students studying in various fields.

The following trades were identified as critical in 2015: Welding, Spray-painting, Panel beating and Auto Electrical and the target is 5 per trade in all four Regions.

There are 18 Tradesmen Aids who have been appointed as Artisan Production Grade A/ Level 6 in the following trades:

4 Mechanical (Diesel)

14 Mechanical (Heavy Earthmoving)

Challenges & Constraints:-

Ongoing restructuring over long periods and delays in finalising approved organizational structures. This causes a sustained high vacancy rate and a sudden increase in the Department's vacancy rate. It also negatively affect the period to fill vacancies and thus reflect erratic average vacancy rates per quarter or over a period.

Moratorium on the filling of posts that were in place for extensive periods.

Insufficient funding to fill posts, either due to budget constraints or reprioritisation of funds. The implementation of rigid cost cutting measures.

Substantial delays in finalizing the prescribed pre-employment verifications on the part of SAQA (in respect of educational qualifications) and the State Security

Agency (in respect of the other prescribed verifications).

High internal mobility of staff as a result of inter-departmental transfers and appointments to higher level posts.

Lack of capacity and training interventions constraints the devolution of HR related functions to the regions. This also has a negative impact on the implementation of Training interventions which are not facilitated effectively.

Shortage of the required experience/skills/competencies (technical, mechanical & engineering) from the designated groups people against the equity requirements implementation.

Lack of relevant structured support programmes such as mentoring and/or coaching.

The 1% Skills Levy (budget allocated) is insufficient for training and development.

Inability to compete with the private sector in terms of remuneration and benefits when recruiting.

Learners/students exiting prior to completing their qualification due to financial constraints, death or pregnancy.

High unemployment rate has led to an increase number of people applying for vacant posts which has subsequently drastically increased the workload for human resource management.

There is also inadequate partnerships for an Employee Health and Wellness and M&E systems and poor understanding of the Environmental Management components of SHERQ.

The circular enforcing cost-cutting measures within the Department has hindered the progress in the implementation of the planned training interventions for the 2015/16 financial year. The Department was dependent on the Provincial Public Service Training Academy to schedule training in accordance with the needs indicated in the Departmental Workplace Skills Plan.

However, due to the shortage of trainers and limited courses offered by the Provincial Public Service Training Academy all training requested could not be provided. Officials have become very de-motivated due to non-attendance of courses. The National School of Government also has a limited range of courses therefore hindering implementation of the WSP.

The AET Programme was decentralised to the Regions in August 2015 due to various reasons. There has been resistance from learners in PMB Region attending the programme, hence the Programme has not commenced in this Region in 2016.

There is currently no exit strategy resulting in the interns being unemployed once their contracts expire.

The department is not meeting the required target of 2.5% of the total staff establishment due to delays in the vetting and security screening processes.

Currently there is no policy or contract which ties these graduates to the Department after they have registered



with ECSA. We are in a situation where we are losing valuable graduates because of this, once they have registered they move to greener pastures leaving us with a deficit.

Currently there is no Departmental Bursary Internal Policy and we are using the Provincial policy. The Bursary Committee has noted that proves to be difficult at times because it is not streamlined.

When some of the tradesmen aids are sent to Bell Equipment for a brush-up and trade test we go through the embarrassment of Bell sending them back to the Department. The reason behind that the candidates have limited knowledge of the programme because in their various workplaces they did not perform related duties.

• **Future human resource plans/goals: -**

Provision of reasonable accommodation contributes to the meeting of equity targets. The unit will continue to support the implementation of the DPSA policy on Reasonable Accommodation and Assistive Devices for People with Disabilities in the Public Service with the view of increasing and retaining PWDs in the Department.

The unit will continue to utilise the skills audit reports to inform capacity development improvement initiatives.

The implementation of the policy that supports compulsory training programmes for new entrants, minimum entry requirements and targeted capacity building programmes that promote appropriate behaviour among Departmental employees.

Developing the capacity to implement HR policies and/or procedures or strategies in general through workshops, advocacy and/or information sharing sessions.

The implementation of a policy on the prevention and management of sexual harassment in the public service to improve the safety and morale of departmental employees and submit relevant reports to respective stakeholders as a monitoring and evaluation tool to gauge its implementation.

The Department will focus on the challenge of filling vacant and funded posts in the new performance year as well as to achieve the employee equity targets set. The Department will also focus on achieving a vacancy rate of less than 10% by the end of the performance year and to improve the time taken to fill vacant and funded posts.

In addition, the Department will focus on the improved adherence to timeframes in the implementation of performance management. These included:

- 5% target to be reached for the employment of interns and learners annually;
- 80% of the WSP interventions to be implemented;
- There will be a new intake of Apprentices in 2017 to ensure a pool of qualified mechanical Artisans;
- The intake of WIL learners to be increased annually; and
- HR Learnership to be implemented in 2016 to enhance HR performance.

Filling of vacant critical, funded posts remains a priority.

Human Resources Oversight Statistics

The department must provide the following key information on its human resources. All the financial amounts must agree with the amounts disclosed in the annual financial statements. Provide reasons for any variances.

Please note that it is very important to follow the format and standards prescribed, to enable collation and comparison of information. If sub headings/tables are not applicable to the department, it should be stated that there is nothing to report on. Numbering of tables must not be changed and should be maintained as in the guidelines.

Include any other tables for HR if considered necessary by the department and required by any specific government oversight body. These additional tables must be included at the end of the standardised HR information.

Personnel related expenditure

The following tables summarises 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; and
- 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 and 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	306 020	116 898	0	0	38.2	29
Community Based Programme	29 293	15 559	0	0	53.1	4
Transport Infrastructure	6 983 608	816 466	0	0	11.7	199
Transport Operations	1 288 069	35 303	0	0	2.7	9
Transport Regulation	737 790	508 503	0	0	68.9	124
Z=Total as on Financial Systems (BAS)	9 344 780	1 492 729	0	0	16	364

Table 3.1.2 Personnel costs by salary band for the period 1 April 2015 and 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)	37 882	2.5	351	107 926
Skilled (Levels 3-5)	299 438	19.6	1641	182 473
Highly skilled production (Levels 6-8)	520 638	34.1	1506	345 709
Highly skilled supervision (Levels 9-12)	157 563	10.3	262	601 385
Senior management (Levels 13-16)	43 810	2.9	39	1 123 333
Contract (Levels 1-2)	2 064	0.1	36	57 333
Contract (Levels 3-5)	13 755	0.9	59	233 136
Contract (Levels 6-8)	57 605	3.8	196	293 903
Contract (Levels 9-12)	6 178	0.4	13	475 231
Contract (Levels 13-16)	2 891	0.2	2	1 445 500
Periodical Remuneration	22 347	1.5	1300	17 190
Abnormal Appointment	325 765	21.3	45988	7 084
TOTAL	1 489 936	97.6	51 393	28 991

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

Programme	Salaries		Overtime		Home Owners 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	84273	67.6	1066	0.9	3341	2.7	4694	3.8
Community Based Programme	12600	61.1	0	0	282	1.4	483	2.3
Transport Infrastructure	671832	81.7	5419	0.7	22114	2.7	20853	2.5
Transport Operations	284861	55.1	88843	17.2	18196	3.5	26945	5.2
Transport Regulation	22776	53	0	0	709	1.6	1260	2.9
TOTAL	1 076 342	70.5	95 328	6.2	44 642	2.9	54 235	3.6


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

Salary band	Salaries		Overtime		Home Owners 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)	25842	67.7	205	0.5	3465	9.1	2419	6.3
Skilled (Levels 3-5)	200503	66.5	5948	2	19908	6.6	19087	6.3
Highly skilled production (Levels 6-8)	304085	57.1	79579	15	18287	3.4	26740	5
Highly skilled supervision (Levels 9-12)	107713	63.5	7216	4.3	2280	1.3	4830	2.8
Senior management (Levels 13-16)	35172	74.5	10	0	305	0.6	815	1.7
Contract (Levels 1-2)	1980	95.3	84	4	0	0	0	0
Contract (Levels 3-5)	10454	65.6	1709	10.7	351	2.2	248	1.6
Contract (Levels 6-8)	56428	95.3	575	1	14	0	45	0.1
Contract (Levels 9-12)	5936	93.9	0	0	32	0.5	9	0.1
Contract (Levels 13-16)	2480	78.6	0	0	0	0	42	1.3
Periodical Remuneration	0	0	0	0	0	0	0	0
Abnormal Appointment	325749	100	0	0	0	0	0	0
TOTAL	1076342	70.5	95326	6.2	44642	2.9	54235	3.6

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 on 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 (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on 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 on 31 March 2016

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	444	342	23	41
Community Based Programme	40	27	32.5	0
Transport Infrastructure	3403	2171	36.2	227
Transport Operations	1861	1489	20	0
Transport Regulation	104	76	26.9	12
TOTAL	5852	4105	29.9	280



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

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2), Permanent	817	352	56.9	0
Skilled (Levels 3-5), Permanent	2353	1640	30.3	0
Highly skilled production (Levels 6-8), Permanent	1942	1506	22.5	0
Highly skilled supervision (Levels 9-12), Permanent	382	262	31.4	0
Senior management (Levels 13-16), Permanent	52	39	25	0
Contract (Levels 1-2), Permanent	36	36	0	36
Contract (Levels 3-5), Permanent	59	59	0	36
Contract (Levels 6-8), Permanent	196	196	0	195
Contract (Levels 9-12), Permanent	13	13	0	13
Contract (Levels 13-16), Permanent	2	2	0	0
TOTAL	5852	4105	29.9	280

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

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, Permanent	205	138	32.7	4
All artisans in the building metal machinery etc., Permanent	128	92	28.1	3
Artisan project and related superintendents, Permanent	27	14	48.1	0
Auxiliary and related workers, Permanent	46	33	28.3	0
Building and other property caretakers, Permanent	26	12	53.8	0
Bus and heavy vehicle drivers, Permanent	17	9	47.1	1
Cartographic surveying and related technicians, Permanent	5	5	0	4
Civil engineering technicians, Permanent	347	275	20.7	215
Cleaners in offices workshops hospitals etc., Permanent	162	128	21	0
Client inform clerks (switchboard reception clerks), Permanent	36	28	22.2	0
Communication and information related, Permanent	4	2	50	0
Compositors typesetters & related printing workers, Permanent	1	0	100	0
Engineering sciences related, Permanent	36	20	44.4	0
Engineers and related professionals, Permanent	59	39	33.9	0
Finance and economics related, Permanent	5	4	20	0
Financial and related professionals, Permanent	14	9	35.7	1
Financial clerks and credit controllers, Permanent	11	10	9.1	0
Food services aids and waiters, Permanent	22	18	18.2	0
General legal administration & rel. professionals, Permanent	2	2	0	1
Head of department/chief executive officer, Permanent	1	1	0	0
Human resources & organisational development & related professions, Permanent	34	21	38.2	0
Human resources clerks, Permanent	98	76	22.4	0
Human resources related, Permanent	15	12	20	0



Critical Occupation (Continuation of Table 3.2.3)	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Language practitioners interpreters & other commun, Permanent	10	10	0	1
Legal related, Permanent	3	3	0	0
Librarians and related professionals, Permanent	1	1	0	0
Library mail and related clerks, Permanent	2	2	0	0
Light vehicle drivers, Permanent	18	11	38.9	0
Logistical support personnel, Permanent	1	1	0	0
Mechanical engineering technicians, Permanent	1	1	0	1
Messengers porters and deliverers, Permanent	82	63	23.2	0
Motor vehicle drivers, Permanent	586	369	37	1
Other administrat & related clerks and organisers, Permanent	1092	872	20.1	45
Other administrative policy and related officers, Permanent	247	185	25.1	2
Other information technology personnel., Permanent	2	2	0	0
Other occupations, Permanent	1	1	0	0
Regulatory inspectors, Permanent	964	778	19.3	0
Road superintendents, Permanent	20	15	25	0
Road trade workers., Permanent	209	143	31.6	0
Road workers, Permanent	971	496	48.9	0
Safety health and quality inspectors, Permanent	3	2	33.3	0
Secretaries & other keyboard operating clerks, Permanent	38	30	21.1	1
Security guards, Permanent	81	36	55.6	0
Security officers, Permanent	8	5	37.5	0
Senior managers, Permanent	47	34	27.7	0
Trade labourers, Permanent	160	96	40	0
Trade trainers, Permanent	4	1	75	0
TOTAL	5852	4105	29.9	280

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table. Critical occupations are defined as occupations or sub-categories within an occupation – in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria; for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction; where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 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
Head of Department	1	1	100	0	0
Salary Level 15	4	3	75	1	25
Salary Level 14	11	7	63	4	37
Salary Level 13	32	25	78	7	21
Total	48	36	75	12	25

Table 3.3.2 SMS post information as on 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
Head of Department	1	1	100	0	0
Salary Level 15	4	3	75	1	25
Salary Level 14	11	7	63	4	36
Salary Level 13	32	25	78	7	21
Total	48	36	75	12	25

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

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	1	0	0
Salary Level 13	1	0	0
Total	2	0	0

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 and 31 March 2016
Reasons for vacancies not advertised within six months

Deputy Director-General: Corporate Services: The functions needed to be aligned to the structure and the benchmarking process had to be finalised and submitted to the Premier for authorisation, which took more than two months to be authorised.

Reasons for vacancies not filled within twelve months

As per above

Notes

In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

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 and 31 March 2016

Disciplinary steps taken
None

Notes

In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.



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 and 31 March 2016

Salary band	Number of posts on approved 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)	817	0	0	0	0	0	0
Skilled (Levels 3-5)	2353	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	1942	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	382	0	0	0	0	0	0
Senior Management Service Band A	32	0	0	0	0	0	0
Senior Management Service Band B	11	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	5542	0	0	0	0	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their post 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 and 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
-----------------------------	---

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 and 31 March 2016

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
NONE				
Total number of employees whose salaries exceeded the level determined by job evaluation				
Percentage of total employed				

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 and 31 March 2016

Gender	African	Asian	Coloured	White	Total
NONE					
Employees with a disability					

Employees with a disability

Notes

If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
---	-------------

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 (see definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2015 and 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), Permanent	272	104	9	3.3
Skilled (Levels 3-5), Permanent	1629	125	102	6.3
Highly skilled production (Levels 6-8), Permanent	1457	4	47	3.2
Highly skilled supervision (Levels 9-12), Permanent	242	2	16	6.6
Senior Management Service Band A, Permanent	26	1	1	3.8
Senior Management Service Band B, Permanent	9	0	0	0
Senior Management Service Band C, Permanent	3	0	1	33.3
Senior Management Service Band D, Permanent	1	0	0	0
Contract (Levels 1-2), Permanent	39	41	33	84.6
Contract (Levels 3-5), Permanent	118	53	10	8.5
Contract (Levels 6-8), Permanent	185	2	12	6.5
Contract (Levels 9-12), Permanent	9	4	1	11.1
Contract (Band A), Permanent	1	0	0	0
Contract (Band D), Permanent	1	0	0	0
TOTAL	3992	336	232	5.8

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2015 and 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	142	3	9	6.3
All artisans in the building metal machinery etc., Permanent	50	24	0	0
Artisan project and related superintendents, Permanent	15	0	1	6.7
Auxiliary and related workers, Permanent	30	4	0	0
Building and other property caretakers, Permanent	14	0	2	14.3
Bus and heavy vehicle drivers, Permanent	10	0	1	10
Cartographic surveying and related technicians, Permanent	6	0	1	16.7
Civil engineering technicians, Permanent	249	32	19	7.6
Cleaners in offices workshops hospitals etc., Permanent	134	2	5	3.7
Client inform clerks(switchb recept inform clerks), Permanent	29	0	1	3.4
Communication and information related, Permanent	2	0	0	0
Engineering sciences related, Permanent	21	0	1	4.8
Engineers and related professionals, Permanent	42	0	3	7.1
Finance and economics related, Permanent	4	1	1	25



Critical Occupation (Continuation of Table 3.5.2)	Number of employees at beginning of period-April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Financial and related professionals, Permanent	10	0	1	10
Financial clerks and credit controllers, Permanent	7	1	0	0
Food services aids and waiters, Permanent	20	0	2	10
General legal administration & rel. professionals, Permanent	2	0	0	0
Head of department/chief executive officer, Permanent	1	0	0	0
Human resources & organisat developm & relate prof, Permanent	20	0	1	5
Human resources clerks, Permanent	74	5	0	0
Human resources related, Permanent	13	0	1	7.7
Language practitioners interpreters & other comun, Permanent	10	0	0	0
Legal related, Permanent	3	0	0	0
Librarians and related professionals, Permanent	1	0	0	0
Library mail and related clerks, Permanent	1	1	0	0
Light vehicle drivers, Permanent	12	0	0	0
Logistical support personnel, Permanent	1	0	0	0
Mechanical engineering technicians, Permanent	1	0	0	0
Messengers porters and deliverers, Permanent	67	0	4	6
Motor vehicle drivers, Permanent	337	63	30	8.9
Other administrat & related clerks and organisers, Permanent	868	69	50	5.8
Other administrative policy and related officers, Permanent	170	2	5	2.9
Other information technology personnel., Permanent	2	0	0	0
Other occupations, Permanent	1	0	0	0
Regulatory inspectors, Permanent	800	0	21	2.6
Road superintendents, Permanent	16	0	1	6.3
Road trade workers., Permanent	150	1	11	7.3
Road workers, Permanent	447	102	46	10.3
Safety health and quality inspectors, Permanent	2	0	0	0
Secretaries & other keyboard operating clerks, Permanent	26	8	2	7.7
Security guards, Permanent	42	0	5	11.9
Security officers, Permanent	5	0	0	0
Senior managers, Permanent	34	1	1	2.9
Trade labourers, Permanent	100	17	7	7
Trade trainers, Permanent	1	0	0	0
TOTAL	3992	336	232	5.8

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

Critical occupations are defined as occupations or sub-categories within an occupation – in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria; for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction; where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.



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 and 31 March 2016

Termination Type	Number	% of Total Resignations
Death, Permanent	43	17.5
Resignation, Permanent	66	26.8
Expiry of contract, Permanent	41	16.7
Transfers, Permanent	14	5.7
Discharged due to ill health, Permanent	1	0.4
Dismissal-misconduct, Permanent	1	0.4
Retirement, Permanent	80	32.5
TOTAL	246	100
Total number of employees who left as a % of total employment	6.2%	

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

Occupation	Employment at Beginning of Period (April 2015)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	142	3	2.1	117	82.4
All artisans in the building metal machinery etc.	50	0	0	45	90
Artisan project and related superintendents	15	0	0	12	80
Auxiliary and related workers	30	0	0	20	66.7
Building and other property caretakers	14	0	0	12	85.7
Bus and heavy vehicle drivers	10	0	0	6	60
Cartographic surveying and related technicians	6	0	0	4	66.7
Civil engineering technicians	249	0	0	189	75.9
Cleaners in offices workshops hospitals etc.	134	0	0	96	71.6
Client inform clerks (switchboard reception inform clerks)	29	0	0	26	89.7
Communication and information related	2	0	0	2	100
Engineering sciences related	21	0	0	16	76.2
Engineers and related professionals	42	0	0	39	92.9
Finance and economics related	4	0	0	2	50
Financial and related professionals	10	0	0	8	80
Financial clerks and credit controllers	7	0	0	6	85.7
Food services aids and waiters	20	0	0	14	70
General legal administration & rel. professionals	2	0	0	1	50
Head of department/chief executive officer	1	0	0	0	0
Human resources & organisational development & related professions	20	4	20	13	65
Human resources clerks	74	3	4.1	68	91.9
Human resources related	13	0	0	11	84.6
Language practitioners interpreters & other communication	10	0	0	9	90
Legal related	3	0	0	0	0
Librarians and related professionals	1	0	0	1	100



Occupation (Continuation of Table 3.5.4)	Employment at Beginning of Period (April 2015)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Library mail and related clerks	1	0	0	1	100
Light vehicle drivers	12	0	0	7	58.3
Logistical support personnel	1	0	0	1	100
Mechanical engineering technicians	1	0	0	1	100
Messengers porters and deliverers	67	0	0	50	74.6
Motor vehicle drivers	337	0	0	217	64.4
Other administrat & related clerks and organisers	868	7	0.8	613	70.6
Other administrative policy and related officers	170	15	8.8	141	82.9
Other information technology personnel.	2	0	0	2	100
Other occupations	1	0	0	0	0
Regulatory inspectors	800	1	0.1	582	72.8
Road superintendents	16	0	0	9	56.3
Road trade workers.	150	3	2	96	64
Road workers	447	0	0	306	68.5
Safety health and quality inspectors	2	0	0	2	100
Secretaries & other keyboard operating clerks	26	0	0	20	76.9
Security guards	42	0	0	36	85.7
Security officers	5	0	0	1	20
Senior managers	34	1	2.9	25	73.5
Trade labourers	100	2	2	76	76
Trade trainers	1	0	0	1	100
TOTAL	3992	39	1	2904	72.7

Table 3.5.5 Promotions by salary band for the period 1 April 2015 and 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	272	0	0	83	30.5
Skilled (Levels 3-5), Permanent	1629	7	0.4	1380	84.7
Highly skilled production (Levels 6-8), Permanent	1457	28	1.9	1033	70.9
Highly skilled supervision (Levels 9-12), Permanent	242	3	1.2	224	92.6
Senior management (Levels 13-16), Permanent	39	1	2.6	37	94.9
Contract (Levels 1-2), Permanent	39	0	0	0	0
Contract (Levels 3-5), Permanent	118	0	0	1	0.8
Contract (Levels 6-8), Permanent	185	0	0	144	77.8
Contract (Levels 9-12), Permanent	9	0	0	2	22.2
Contract (Levels 13-16), Permanent	2	0	0	0	0
TOTAL	3992	39	1	2904	72.7



3.6 Employment Equity

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers, Permanent	14	0	1	4	15	0	1	1	36
Professionals, Permanent	32	0	11	16	52	2	4	8	125
Technicians and associate professionals, Permanent	253	11	33	24	251	6	33	29	640
Clerks, Permanent	138	10	43	9	615	28	97	78	1018
Service and sales workers, Permanent	379	27	97	40	222	11	29	14	819
Craft and related trades workers, Permanent	159	3	21	25	57	0	0	0	265
Plant and machine operators and assemblers, Permanent	359	0	0	2	28	0	0	0	389
Elementary occupations, Permanent	501	1	4	2	302	1	2	0	813
TOTAL	1835	52	210	122	1542	48	166	130	4105
Employees with disabilities	8	0	2	4	10	0	4	2	30

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	2	0	0	2	1	0	0	0	5
Senior Management, Permanent	10	0	1	5	15	0	1	2	34
Professionally qualified and experienced specialists and mid-management, Permanent	87	9	26	30	87	2	13	8	262
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	551	32	136	76	491	26	84	110	1506
Semi-skilled and discretionary decision making, Permanent	895	10	39	7	599	19	61	10	1640
Unskilled and defined decision making, Permanent	109	0	2	1	237	1	2	0	352
Contract (Top Management), Permanent	1	0	0	0	0	0	0	0	1
Contract (Senior Management), Permanent	1	0	0	0	0	0	0	0	1
Contract (Professionally qualified), Permanent	7	0	2	0	3	0	1	0	13
Contract (Skilled technical), Permanent	122	0	4	1	69	0	0	0	196
Contract (Semi-skilled), Permanent	36	1	0	0	19	0	3	0	59
Contract (Unskilled), Permanent	14	0	0	0	21	0	1	0	36
TOTAL	1835	52	210	122	1542	48	166	130	4105



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	
Senior Management, Permanent	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	2	0	0	0	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	3	0	0	0	1	0	0	0	4
Semi-skilled and discretionary decision making, Permanent	89	0	0	1	32	0	2	1	125
Unskilled and defined decision making, Permanent	38	0	0	0	66	0	0	0	104
Contract (Professionally qualified), Permanent	3	0	0	0	1	0	0	0	4
Contract (Skilled technical), Permanent	2	0	0	0	0	0	0	0	2
Contract (Semi-skilled), Permanent	35	1	0	0	13	0	4	0	53
Contract (Unskilled), Permanent	17	0	0	0	23	0	1	0	41
TOTAL	190	1	0	1	136	0	7	1	336
Employees with disabilities	2	0	0	0	1	0	0	0	3

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	1	0	0	1	1	0	0	0	3
Senior Management, Permanent	7	0	1	5	19	0	1	2	35
Professionally qualified and experienced specialists and mid-management, Permanent	73	8	22	29	72	2	14	7	227
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	407	20	74	42	398	17	55	48	1061
Semi-skilled and discretionary decision making, Permanent	731	9	30	5	535	18	55	4	1387
Unskilled and defined decision making, Permanent	14	0	1	0	66	1	1	0	83
Contract (Professionally qualified), Permanent	0	0	2	0	0	0	0	0	2
Contract (Skilled technical), Permanent	92	0	4	1	47	0	0	0	144
Contract (Semi-skilled), Permanent	1	0	0	0	0	0	0	0	1
TOTAL	1326	37	134	83	1138	38	126	61	2943
Employees with disabilities	5	0	2	4	7	0	4	1	23


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, Permanent	0	0	0	0	0	0	0	1	1
Senior Management, Permanent	0	0	0	1	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	2	0	0	7	5	0	2	0	16
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	20	0	3	3	10	0	2	9	47
Semi-skilled and discretionary decision making, Permanent	96	0	0	0	5	0	1	0	102
Unskilled and defined decision making, Permanent	4	0	0	0	5	0	0	0	9
Contract (Professionally qualified), Permanent	1	0	0	0	0	0	0	0	1
Contract (Skilled technical), Permanent	10	0	0	0	2	0	0	0	12
Contract (Semi-skilled), Permanent	6	0	0	0	1	0	3	0	10
Contract (Unskilled), Permanent	8	0	0	0	25	0	0	0	33
TOTAL	147	0	3	11	53	0	8	10	232
Employees with disabilities	0	0	0	0	0	0	0	0	0



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	
Written Warning									
Final Written Warning									
Dismissal									
Suspension with pay									
Case Withdrawn									
GRAND TOTAL									
Employees with disabilities									

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	0	0	1	0	2	0	0	0	3
Professionals	15	0	6	4	13	0	1	1	40
Technicians and Associate Professionals	68	3	1	6	91	5	6	5	185
Clerks	18	1	2	0	115	3	8	6	153
Service and Sales Workers	66	6	14	0	34	2	2	1	125
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	63	0	2	6	29	0	0	0	100
Elementary Occupations	46	0	0	1	48	0	0	0	95
TOTAL	276	10	26	17	332	10	17	13	701
Employees with disabilities	0	0	0	0	0	0	0	0	0



Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 3.7.1 Signing of Performance Agreements by SMS members as on 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
Head of Department	1	1	1	100
Salary Level 15	4	3	3	100
Salary Level 14	11	9	9	100
Salary Level 13	32	23	23	100
Total	48	36	36	100

Notes

In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 20ZZ.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 May 2015

NONE

Notes

The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 May 2015

NONE

Notes

The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

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	337	1532	22	4 584	13 602
African, Male	283	1827	15.5	3 346	11 823
Asian, Female	71	162	43.8	1 287	18 122
Asian, Male	59	208	28.4	1 231	20 863
Coloured, Female	18	48	37.5	260	14 439
Coloured, Male	8	52	15.4	141	17 662
White, Female	56	128	43.8	1 120	20 007
White, Male	43	118	36.4	1 099	25 562
Employees with a disability	14	30	46.7	369	26 327
TOTAL	889	4105	21.7	13 437	15 114


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)	39	351	11.1	214	5 487
Skilled (Levels 3-5)	349	1641	21.3	3 026	8 670
Highly skilled production (Levels 6-8)	362	1506	24	5 430	15 000
Highly skilled supervision (Levels 9-12)	104	262	39.7	3 600	34 615
Contract (Levels 1-2)	0	36	0	0	0
Contract (Levels 3-5)	0	59	0	0	0
Contract (Levels 6-8)	22	196	11.2	322	14 636
Contract (Levels 9-12)	1	13	7.7	25	25 000
TOTAL	877	4064	21.6	12617	14387

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	58	138	42	2 140	36 897
All artisans in the building metal machinery etc.	25	92	27.2	356	14 240
Artisan project and related superintendents	5	14	35.7	81	16 200
Auxiliary and related workers	10	33	30.3	127	12 700
Building and other property caretakers	3	12	25	16	5 333
Bus and heavy vehicle drivers	2	9	22.2	24	12 000
Cartographic surveying and related technicians	3	5	60	72	24 000
Civil engineering technicians	30	275	10.9	520	17 333
Cleaners in offices workshops hospitals etc.	36	128	28.1	213	5 917
Client inform clerks (switchboard reception clerks)	19	28	67.9	332	17 474
Communication and information related	2	2	100	66	33 000
Engineering sciences related	8	20	40	315	39 375
Engineers and related professionals	16	39	41	365	22 813
Finance and economics related	2	4	50	110	55 000
Financial and related professionals	5	9	55.6	189	37 800
Financial clerks and credit controllers	3	10	30	99	33 000
Food services aids and waiters	7	18	38.9	51	7 286
General legal administration & rel. professionals	0	2	0	0	0
Head of department/chief executive officer	0	1	0	0	0
Human resources & organisational development & related professional	7	21	33.3	115	16 429
Human resources clerks	26	76	34.2	239	9 192
Human resources related	6	12	50	209	34 833
Language practitioners interpreters & other communication	5	10	50	63	12 600
Legal related	0	3	0	0	0
Librarians and related professionals	1	1	100	28	28 000
Library mail and related clerks	1	2	50	21	21 000
Light vehicle drivers	3	11	27.3	18	6 000
Logistical support personnel	1	1	100	26	26 000



Critical occupation <i>Continuation from Table 3.8.3</i>	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Mechanical engineering technicians	0	1	0	0	0
Messengers porters and deliverers	27	63	42.9	187	6 926
Motor vehicle drivers	40	369	10.8	372	9 300
Other administrat & related clerks and organisers	250	871	28.7	2 707	10 828
Other administrative policy and related officers	75	185	40.5	1 307	17 427
Other information technology personnel.	2	2	100	25	12 500
Other occupations	0	1	0	0	0
Rank: Unknown	0	1	0	0	0
Regulatory inspectors	86	778	11.1	1 191	13 849
Road superintendents	3	15	20	46	15 333
Road trade workers.	18	143	12.6	192	10 667
Road workers	50	496	10.1	349	6 980
Safety health and quality inspectors	0	2	0	0	0
Secretaries & other keyboard operating clerks	17	30	56.7	317	18 647
Security guards	4	36	11.1	22	5 500
Security officers	4	5	80	32	8 000
Senior managers	11	34	32.4	784	71 273
Trade labourers	17	96	17.7	104	6 118
Trade trainers	1	1	100	8	8 000
TOTAL	889	4 105	21.7	13 438	15 116

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

Critical occupations are defined as occupations or sub-categories within an occupation –

in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;

for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;

where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and

in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

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

Salary band	Beneficiary Profile			Cost		% of SMS Wage Bill
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	10	23	43.5	663	66 300	2.1
Band B	2	9	22.2	156	78 000	1.6
Band C	0	3	0	0	0	0
Band D	0	1	0	0	0	0
TOTAL	12	36	33.3	819	68250	2



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 and 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	20	1	20	0	0
Highly skilled supervision (Levels 9-12)	1	20	1	20	0	0
Contract (Levels 6-8)	1	20	1	20	0	0
Abnormal Appointment	2	40	2	40	0	0
TOTAL	5	100	5	100	0	0

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

Major Occupation	01 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
Administrative office workers	1	20	1	20	0	0
Other occupations	2	40	2	40	0	0
Professionals and managers	2	40	2	40	0	0
TOTAL	5	100	5	100	0	0

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 3.10.1 Sick leave for the period 1 January 2015 to 31 December 2016

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)	1256	85.4	176	6.9	7	540
Skilled (Levels 3-5)	6948	80.4	922	36.4	8	4 502
Highly skilled production (Levels 6-8)	8423	74.3	1081	42.7	8	8 632
Highly skilled supervision (Levels 9-12)	1157	78.7	181	7.1	6	2 354
Senior management (Levels 13-16)	202	87.6	25	1	8	741
Contract (Levels 1-2)	52	48.1	23	0.9	2	14
Contract (Levels 3-5)	53	84.9	16	0.6	3	30
Contract (Levels 6-8)	577	64.6	104	4.1	6	609
Contract (Levels 9-12)	41	95.1	4	0.2	10	90
Contract (Levels 13-16)	2	100	1	0	2	7
TOTAL	18 711	77.4	2 533	100	7	17 519

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)
Lower skilled (Levels 1-2)	231	100	6	4.7	39	108
Skilled (Levels 3-5)	1366	100	58	45	24	883
Highly skilled production (Levels 6-8)	704	98.7	53	41.1	13	749
Highly skilled supervision (Levels 9-12)	425	100	8	6.2	53	930
Senior management (Levels 13-16)	82	100	4	3.1	21	278
TOTAL	2808	99.7	129	100	22	2948

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.3 Annual Leave for the period 1 January 2015 to 31 December 2016

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	3893	268	15
Skilled (Levels 3-5)	36919.92	1598	23
Highly skilled production (Levels 6-8)	34723.25	1462	24
Highly skilled supervision (Levels 9-12)	6583	264	25
Senior management (Levels 13-16)	841	41	21
Contract (Levels 1-2)	409	60	7
Contract (Levels 3-5)	260	49	5
Contract (Levels 6-8)	3095	197	16
Contract (Levels 9-12)	159	12	13
Contract (Levels 13-16)	23	2	12
TOTAL	86906.17	3953	22

**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 December 2014
Lower skilled (Levels 1-2)	1	1	1	23
Skilled (Levels 3-5)	78	11	7	65
Highly skilled production (Levels 6-8)	263	43	6	61
Highly skilled supervision (Levels 9-12)	88	8	11	77
Senior management (Levels 13-16)	9	1	9	103
TOTAL	439	64	7	64

The following table summarise 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 and 31 March 2016

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Capped leave payouts on termination of service for 2015/16	7 270	157	46 306
Current leave payout on termination of service for 2015/16	447	28	15 964
TOTAL	7 717	185	41 714

HIV/AIDS & 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
All Employees	All employees have been exposed to educational campaigns such as HCT Campaign on importance of testing and knowing their status as well as on the risks of contracting HIV/AIDS. HIV and TB training has been conducted to employees and it is an ongoing.
All Employees	Condom container shave been purchased and put up in strategic points in all Regions within the Department. Office services maintain the filling of these containers with condoms on a regular basis and the EAP Component monitors this.
All Employees	The Employee Health and Wellness Committee members were trained on HIV/AIDS and TB management training within the department by the Employee Health and Wellness Component



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.	YES		DDG for Corporate Services and Chief Director: HRM : Ms C Zwane
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.	YES		"The EHWP Component was initiated in 2005 and is headed by an Assistant Director, Senior Employee Practitioner are assisting the Component. The budget is R4,608.976 for this financial year."
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.	YES		Professional Counselling, Assessment, Debriefing, Crisis intervention, Referral and Consultation to key staff.
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.	YES		The Department has formed the EHWP committee members in all Regions and it comprises of two or three members within each Region. The function of the Committee members is to assist with the coordination of various projects and programs and referrals of employees to EAP Component for assistance.
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.	YES		All four Strategic Frameworks for EH&W have been approved by Head of the Department and all were adopted as department policies.
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.	YES		All services offered are treated as strictly confidential and any discrimination whatsoever will be dealt with via the disciplinary process. Employees within the EHWP Component sign a confidentiality form informing them of what is expected of them and why
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	YES		After the Department has initiated the Wellness clinic whereby the Voluntary Testing is encouraged, there is an increased number of officials wanting to know their status. With the help of our in house Doctor a number of employees are being treated for Chronic Diseases at work. All type of counseling (Pre- counseling and Post counseling) are done to our employees when they are coming for HIV test. All the staff counseled before agreeing to any tests. Should the employee test positive then they are given Immune Boosters, as well monitoring of their CD 4 count by the Departments in house Doctor.
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	YES		Evaluating clinic attendance by employees, there is a decreased on absenteeism cases reported by the supervisors within the department.



LABOUR RELATIONS

The Directorate Labour Relations has managed to improve the relations between Organised Labour and the Department, through the establishment of the GPSSBC Task Team of the Department.

GRIEVANCES

The financial period 2015/2016 has seen an increase in the number of grievances resolved by 57% compared to the previous year's 35% of grievances that were resolved in that financial period. A total of 280 staff were afforded with training for designated employees, to capacitate them with the skills of assisting the Department to resolve grievances. The impact of this capacity building effort, will only be felt during the next financial period.

DISCIPLINARY MATTERS

There is a drastic reduction on the total number of disciplinary matters handled in the 2015/2016 period from 118 to 29, which represents a 75% reduction, fewer disciplinary matters have been recorded as handled in total 52 matters, with 29 resolved during this financial period, representing 44% of resolved cases.

DISPUTES LODGED

2015/2016 has seen a reduction in the number of disputes lodged by 15%, this could be attributed to the established Organised Labour and Management Task Team that was established to proactively attend to Labour Relations matters.

SUSPENSIONS

There is a 71% reduction on the number of suspensions recorded in 2015/2016 compared to the previous financial period.

COLLECTIVE BARGAINING

The Directorate continues to participate meaningfully at the Provincial Chamber levels, as well as the cascading of information from these forums, namely GPSSBC, PSCBC, and Labour Relations Forum.

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

Subject matter	Date
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 and 31 March 2016

Outcomes of disciplinary hearings	Number	RACE	GENDER	% of total
Final Written Warning	4	2 african	Males	
		2 african	females	
Written Warning	23	6 African	Males	
		6 Indian	Males	
		7 african	Females	
		4 african	Male	
Dismissal	2	Indian	Male	
		African	Male	
Demotion	0			
TOTAL	29			



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

Type of misconduct	Number	% of total
Fraud/Theft	11	
Social Grant Misconduct	0	
Low Income Housing	0	
Insubordination	6	
Under the influence of alcohol	1	
Assault	2	
Misuse of state property	7	
Negligence	2	
TOTAL	29	

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

Grievances	Number	% of Total
Number of grievances resolved	195	
Number of grievances not resolved	68	
Total number of grievances lodged	263	

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

Disputes	Number	% of Total
Number of disputes received	11	
Number of disputes upheld	0	
Number of disputes dismissed	0	
Total number of disputes lodged	11	

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

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

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

Number of people suspended	2
Number of people who's suspension exceeded 30 days	2
Average number of days suspended	30
Cost of suspension (R'000)	R922338

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 and 31 March 2016

Occupational category	Gender	Number of employees as at 1 April 20YY	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		0	0	0	0
	Male		0	1	0	1
Professionals	Female		3	4	4	11
	Male		1	5	1	7
Technicians and associate professionals	Female		2	37	0	39
	Male		1	33	0	34
Clerks	Female		1	88	0	89
	Male		1	14	0	15



Occupational category <i>Continuation from Tab 3.13.1</i>	Gender	Number of employees as at 1 April 20YY	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Service and sales workers	Female		0	58	0	58
	Male		0	168	0	168
Skilled agriculture and fishery workers	Female		0	0	0	0
	Male		0	0	0	0
Craft and related trades workers	Female		0	3	0	3
	Male		0	25	0	25
Plant and machine operators and assemblers	Female		0	0	0	0
	Male		0	0	0	0
Elementary occupations	Female		0	93	7	100
	Male		0	131	18	149
Sub Total	Female		6	283	11	300
	Male		3	377	19	399
Total			9	660	30	699

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

Occupational category	Gender	Number of employees as at 1 April 20YY	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female		0	2	0	2
	Male		0	1	0	1
Professionals	Female		0	15	0	15
	Male		0	25	0	25
Technicians and associate professionals	Female		13	94	0	107
	Male		8	70	0	78
Clerks	Female		0	132	0	132
	Male		0	21	0	21
Service and sales workers	Female		0	39	0	39
	Male		0	86	0	86
Skilled agriculture and fishery workers	Female		0	0	0	0
	Male		0	0	0	0
Craft and related trades workers	Female		0	11	0	11
	Male		0	38	0	38
Plant and machine operators and assemblers	Female		0	11	0	11
	Male		0	33	0	33
Elementary occupations	Female		0	48	0	48
	Male		0	46	0	46
Sub Total	Female		13	359	0	372
	Male		8	321	0	329
Total			21	680	0	701



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 and 31 March 2016

Nature of injury on duty	Number	% of total
Required basic medical attention only	40	90,90%
Temporary Total Disablement	1	2,27%
Permanent Disablement	1	2,27%
Fatal	2	4,56%
Total	44	100%

Utilisation of Consultants

The following tables relates information on the utilisation of consultants in the department.

In terms of the Public Service Regulations “consultant’ means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

The rendering of expert advice;

The drafting of proposals for the execution of specific tasks; and

The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

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

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand

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

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

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
NONE			

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
NONE			

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2015 and 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
NONE			

Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2015 and 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
NONE	NONE	NONE	NONE	NONE

KZN DEPARTMENT OF TRANSPORT PROVINCIAL REGULATORY ENTITY



LADYSMITH REGIONAL OFFICE OF
THE PROVINCIAL REGULATORY ENTITY
was officially opened by
Mr T.W. Mchambi,
the KwaZulu-Natal MEC for
Transport, Community Safety & Liaison.
Date: 23 October 2015



ANNUAL FINANCIAL STATEMENTS

VOTE 12

FOR THE YEAR ENDED 31 MARCH 2016

TABLE OF CONTENTS	PAGE
Report of the Auditor-General	111
Report of the Accounting Officer	117
Appropriation Statement	124
Notes to the Appropriation Statement	171
Statement of Financial Performance	173
Statement of Financial Position	174
Statement of Changes in Net Assets	175
Cash Flow Statement	176
Accounting Policies	177
Notes to the Annual Financial Statements	186
Annexures	205



Report of the Auditor-General to the KwaZulu-Natal Provincial Legislature on vote no. 12: Transport

Report on the financial statements

Introduction

1. I have audited the financial statements of the KwaZulu-Natal Department of Transport set out on pages 124-211 which comprise the appropriation statement, 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 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 the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (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 department'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 qualified audit opinion.

Basis for qualified opinion

Irregular expenditure

6. The department did not disclose the full extent of irregular expenditure for payments made in contravention of the supply chain management prescripts, as required by section 40(3)(b)(i) of the PFMA. Consequently, I was unable to determine the full extent of the understatement of irregular expenditure stated at R7,88 million (2015: R469,37 million) in note 31 to the financial statements.

Immovable tangible capital assets

7. I was unable to obtain sufficient appropriate audit evidence to support the immovable tangible capital assets of R256,66 million included in note 32 to the financial statements, due to the status of the accounting records. I was unable to confirm these assets by alternatives means. Consequently, I was unable to determine whether any adjustment to immovable tangible capital assets stated at R10,60 billion (2015:R10,02 billion) in the financial statements was necessary.

Commitments

8. I was unable to obtain sufficient appropriate audit evidence for commitments as the department did not maintain accurate and complete records of the contractual information supporting these commitments. In addition, the department incorrectly disclosed retention monies held on construction contracts as commitments and not as a provision, as required by the MCS on *Provisions and Contingencies*. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment to commitments stated at R9,99 billion in note 21 to the financial statements and the resultant impact on provisions was necessary.

Expenditure for tangible capital assets

9. I was unable to obtain sufficient appropriate evidence to confirm expenditure for tangible assets stated at R4,03 billion in note 9.1 to the financial statements, as the department did not have adequate systems and I could not confirm the expenditure by alternative means. Consequently, the expenditure for tangible assets was overstated by R338,39 million with a resultant impact on additions to immovable tangible capital assets in note 41.1 to the financial statements.

Qualified opinion

10. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the KwaZulu-Natal Department of Transport as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with the MCS and the requirements of the PFMA and DoRA.

Emphasis of matters

11. I draw attention to the matters below.

Significant uncertainty

12. The department is the defendant in various claims as disclosed in note 20 to the financial statements. The ultimate outcome of these claims cannot presently be determined and no provision for any liability that may result has been made in the financial statements.



Material impairment

13. The department impaired their accrued departmental revenue by an amount of R605,50 million, as disclosed in note 25.3 to the financial statements. This was as a result of an annual review of the recovery of accrued departmental revenue.

Additional matter

14. I draw attention to the matter below.

Unaudited supplementary schedules

15. **Supplementary information does not form part of the financial statement and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.**

Report on other legal and regulatory requirements

16. 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 identify 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

17. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for programme 2 - transport infrastructure on pages 28 to 29 and programme 4 - transport regulation on pages 33 to 35, presented in the annual performance report of the department for the year ended 31 March 2016:
18. 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).
19. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. The material findings in respect of the selected programmes are as follows:

Transport infrastructure

Reliability of reported performance information

21. The reported achievements against planned targets of important indicators were not reliable when compared to the source information. This did not comply with the FMPPI, which 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.

Transport regulation

Reliability of reported performance information

22. The reported performance information was not reliable when compared to the source information. This did not comply with the FMPPI, which 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.

Additional matter

23. I draw attention to the following matter:

Achievement of planned targets

24. The information on achievement of planned targets for the year is included in the annual performance report on pages 29-37. This information should be considered in the context of the material findings on the reliability of the reported performance information for the selected programmes reported in paragraphs 21 and 22 of this report.

Compliance with legislation

25. 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

26. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1) (a) and (b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Procurement and contract management

27. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A6.1.
28. The preference point system was not applied in all procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act of South Africa, 2000 (Act No. 5 of 2000) and treasury regulation 16A6.3 (b).
29. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by treasury regulations 16A6.1. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of treasury regulation 16A6.4.

Expenditure management

30. Effective steps were not taken to prevent irregular expenditure as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph.



Internal control

31. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

32. Leadership did not implement adequate oversight of the annual financial statements, the annual performance report and compliance with laws and regulations to ensure material misstatement and non-compliance with key legislation were pro-actively detected and prevented.

Financial and performance management

33. A proper record management system that supports amounts in the financial statements and reported performance information was not implemented.
34. Non-compliance could have being prevented, had management updated and regularly monitored adherence to their compliance checklists.

Governance

35. An adequate risk management process was not implemented to prevent and detect breakdowns in internal controls relating to financial and performance management and compliance with key laws and regulations.

Other reports

36. I draw attention to the following engagements that could potentially have an 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

37. At the request of the department, the provincial treasury conducted 31 investigations covering the period 1 December 2010 to 31 March 2016, relating to various procurement irregularities and fraudulent payments made to suppliers and employees. Twelve investigations were completed and 19 were still in progress at year-end.

Auditor-General
Pietermaritzburg
29 July 2016



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence





REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND PROVINCIAL LEGISLATURE OF THE PROVINCE OF KWAZULU-NATAL, REPUBLIC OF SOUTH AFRICA

1. General review of the state of financial affairs.

1.1. Important policy decisions and strategic issues facing the Department

- The Department continued to adhere to the expanded cost-cutting measures, as reissued by Provincial Treasury in 2015/16, in conjunction with Nation Treasury Instruction 01 of 2013/14: Cost contained measures.
- The issue of women, youth and disability advocacy is paramount in all Departmental programmes and policies. The Department continues with its mandate to support and give preference to women, youth and the disabled in our procurement processes. Targets have been set to encourage the participation of women, youth and disabled in the employment of labour in infrastructure construction and maintenance projects. The Department also consciously gives preference to both women and the disabled group when filling vacant posts.
- Although the Department's budget has grown over the years, the level of funding is inadequate considering the backlog with regard to road infrastructure. The situation has been exacerbated by the budget reductions. This has created a condition whereby the Department consciously chooses to fund a road programme that minimises the further deterioration of the primary road network, while at the same time maximising the allocations needed to provide isolated rural communities with appropriate access.
- The National Treasury's reduction of the Department's budget over the MTEF period has also impacted on our targeted delivery for construction. For our Department this equates to a reduction in our budget of –
 - 2015/2016 – R 204.725 million
 - 2016/2017 – R 214.142 million
 - 2017/2018 – R 224.849 million
- Nearly 75% of the Department's budget is allocated towards the upgrading and maintenance of road infrastructure in line with goals of providing a balanced road network that meets the mobility needs of KwaZulu-Natal citizens, and providing a logistics platform for South Africa's global trade, in accordance with the National and Provincial Growth and Development Strategies and the Provincial Growth and Development Plan. A portion of the Provincial Roads Maintenance Grant of R30.241million in 2015/16 was earmarked for repairs relating to flood damage to roads in the province however this funding was withheld by National Transport due to the approved disaster projects being completed.
- This shift in budget allocation is also in line with the new S'hamba Sonke – Moving Together Programme that is a roads upgrade and maintenance initiative to fix and upgrade the entire secondary roads network of South Africa. The programme creates new opportunities for emerging contractors and jobs across the Province. This ring-fenced conditional grant is implemented in the following key areas:
 - The rehabilitation of key arterial routes in support of the rural economy through labour intensive projects;
 - Prioritising the use of labour absorptive construction methods;
 - Elimination of potholes on our roads;
 - Creating access roads to schools and clinics and public social infrastructure; and
 - Establishing the Road Asset Management Systems (RAMS) and introducing "Know your Network Programme", this is about regional engineers in the province monitoring daily road conditions including any possible overnight damage.



- The departmental programmes like Operation kuShunquthuli continues to focus on road infrastructure development in the rural areas. The Department has identified key projects that will be the stimulus in linking the rural communities to the provincial hub of activity, which achieves the strategic goal of providing access and mobility within the province, where the priority is in the rural areas in this term of governance. The Department continues to allocate a substantial amount of funding that goes towards the construction of Pedestrian Bridges. There is currently a backlog of pedestrian bridges and this initiative contributes towards providing access to educational and social facilities within the province.
- The objectives of the Operation Sukuma Sakhe Programme (formerly known as the Flagship Programme) that seeks to institute food security; fight disease, in particular HIV, AIDS and TB, and poverty; to empower women and youth; and to instil behavioural change amongst the citizens of the province, have been embraced by this Department. In this regard our programmes, policies and activities will continue to be in support of the objectives hereof.
- The Department is currently implementing the Public Transport Transformation Strategy which will provide for the incorporation of all modes of transport into the public transport subsidized contracts. The implementation of the Strategy remains one of the priorities of the Department. The programme has been successfully implemented in Port Shepstone. Taxi operators and small bus owners have ownership in the operation company and actively participate on day to day running of business. The Strategy is currently being rolled out to other services in other areas in the province, such as Umkhanyakude and uThungulu.
- The re-engineering of the public transport system in the country has resulted in the need to develop and implement integrated rapid public transport networks. This is supposed to be a function of municipalities however the lack of capacity in municipalities to undertake this function has resulted in the Department providing assistance to District Municipalities to develop their Integrated Public Transport Networks (IPTNs). The Department has completed ten Integrated Public Transport Network (IPTN) in the province for Ugu, uMkhanyakude uMgungundlovu, iLembe, and Uthungulu, uThukela, Zululand, uMzinyathi and Amajuba. The remaining one for Harry Gwala District Municipality has commenced and is expected to be completed by the end of 2016/17 financial year. The IRPTN for Ethekwini Metropolitan Municipality has been completed and the municipality is currently in the process of implementing Phase 1 of the plan.
- The effects of road accidents, especially those involving heavy duty vehicles, have resulted in added focus by the department on Safety matters involving all road users with particular attention on pedestrian safety, young road users, community involvement, and public and freight transport safety through Operation Valingozi. The department added focus on the prevention of accidents involving heavy load vehicles, especially at hazardous spots in the province, because of the frequency of the accidents. This accounts for the re-launched programme called Operation Phezukwabo, which strives to crack down on heavy load vehicles that put people's lives in danger on the roads.
- The issue of job creation and poverty alleviation has always been in the forefront of the Department's activities and efforts in this regard will be intensified across all Programmes in keeping with government's mandate of ongoing job creation.
- The department continues its commitment to the economic transformation of the entire transport value chain, through the implementation of its programmes and policies.
- The results of the 2011 Census indicate a slight decrease in the Province's population. This resulted in a decrease in the Province's equitable share allocation and a budget cut for the Department. However, we will continue with our services and commitments to our communities with the same zest and commitment as before.

1.2 Spending Trends

PROGRAMME 1: ADMINISTRATION

NIL

The department fully spent its allocation against this programme.

PROGRAMME 2: TRANSPORT INFRASTRUCTURE

R 17 141 million

The under expenditure against this programme is due to the withholding of the flood damage funding by National Department of Transport. This was due to the fact that all approved disaster projects have been completed.

PROGRAMME 3: TRANSPORT OPERATIONS

NIL

The department fully spent its allocation against this programme.

PROGRAMME 4: TRANSPORT REGULATION



NIL

The department fully spent its allocation against this programme.

PROGRAMME 5: COMMUNITY BASED PROGRAMMES

R10 927 million

The under-expenditure against this programme is due to the slower than anticipated filling of vacant posts as a result of the difficulty in finding suitable candidates,

lengthy recruitment processes, resignations, as well as the moratorium on the filling of non-critical vacant posts. The other is in respect of funds not transferred to the Vukuzakhe Emerging Contractors Association (VECA). The transfer to VECA is based on the association meeting reporting requirements as per the MOU entered into between the association and the department.

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
Administration	306 021	306 021	-	249 191	258 972	-
Transport Infrastructure	6 994 164	6 977 023	17 141	6 830 236	6 821 519	(1 061)
Transport Operations	1 288 069	1 288 069	-	1 227 597	1 227 597	-
Transport Regulation	737 790	737 790	-	702 150	702 150	-
Community Based Programme	40 516	29 589	10 927	41 711	41 711	-
Total	9 366 560	9 338 492	28 068	9 050 885	9 051 949	(1 064)

1.3 Virements

Virements that have taken place during the 2015/16 financial year were as a result of savings identified between programmes and used to defray expenditure pressures against other programmes.

The purpose of these virements was to ensure service delivery and alignment to the Department’s mandated objectives.

The virements that were applied in the 2015/16 Annual Financial Statements are as per the below:

The department hereby confirms that these virements remain within the stipulated eight percent under each main division.

1. Services rendered by the Department

2.1 List of Services

The services rendered by the Department are outlined in the various programmes below:

Programme 1: Administration

The purpose of Programme 1 is to provide the department with the overall management and administrative, strategic, financial and corporate support services (including human resource management, labour relations and legal services) in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner.

The programme consists of four sub-programmes in line with the sector specific budget format, namely: Office of the MEC, Management, Corporate Support, and Department Strategy.

Programme 2: Transport Infrastructure

The purpose of Programme 2 is to promote accessibility and safe and affordable movement of people, goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social empowerment and economic growth.

Programme 2 is aimed at determining the needs for the development of road, freight and public transport infrastructure, implementing maintenance programmes, providing access roads for communities to unlock economic potential, and promoting community development and eco-tourism.

The programme consist of five sub-programmes in line with the sector specific budget format, namely: Support Infrastructure, Infrastructure Planning, Infrastructure Design, Construction and Maintenance.

Programme 3: Transport Operations

The purpose of Programme 3 is to plan, regulate and facilitate the provision of integrated land transport services through co-ordination and co-operation with national planning authorities, non-government organisations (NGOs) and the private sector to enhance the mobility of all communities, especially those without or with limited access, and to implement road safety education and awareness programmes.

The programme consists of three sub-programmes largely in line with the sector specific budget format, namely: Programme Support Operations, Public Transport Services and Transport Safety and Compliance.

The main functions include the development of policies and plans for public and freight transport service and supporting infrastructure, the regulation of public and freight transport services, and the enforcement of legislation in respect of public transport.

Programme 4: Transport Regulation

The purpose of this programme is to ensure the provision of a safe road environment through the regulation of traffic on public infrastructure, law enforcement and the registration and licensing of vehicles and drivers.

The programme consists of four sub-programmes in the 2013/14 MTEF, in line with the sector specific budget format, namely: Programme Support Regulation, Transport Administration and Licensing, Operator Licence and Permits and Law Enforcement.

Programme 5: Community Based Programme

The purpose of this programme is to direct and manage the implementation of programmes and strategies that lead to the development and empowerment of communities. These include the following:

- The strategic planning and monitoring of programmes to further BBBEE.
- Programmes to bring about the development and empowerment of impoverished communities.
- The co-ordination of EPWP in the province.

The programme consists of four sub-programmes in line with the sector specific budget format, namely: Programme Support Community Based, Community Development, Innovation and Empowerment and EPWP Co-ordination and Monitoring.

2.2 Departmental Revenue

The Department determines the tariff adjustment taking into account the current inflation rate, and fee increases in other provinces. These increases are approved by the department in consultation with the Provincial Treasury.

Department revenue received during the reporting period amounted to R 1 665 billion (2014/15: R1.656 billion). The bulk of the department's revenue was derived from Tax receipts (Motor vehicle licences) of R1.490 billion (2014/15: R1.481 billion), Sales of goods and services of R119 million (2014/15: R126.8 million), Fines, penalties and forfeits of R45.6 million (2014/15: R43.5 million), Interest, dividends and rent on land of R202 million (2014/15: R236 million), Sales of capital assets of R6.2 million (2014/15: R4.3 million) and Financial transactions in assets and liabilities of R3.3 million (2014/15: R369 000).



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						
- Motor vehicle licences	1 481 000	1 490 173	(9 173)	1 420 000	1 481 126	(61 126)
Sale of goods and services other than capital assets	129 450	119 355	10 095	120 000	126 811	(6 811)
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	38 088	45 671	(7 583)	25 000	43 476	(18 476)
Interest, dividends and rent on land	266	202	64	160	236	(76)
Sale of capital assets	2 650	6 221	(3 571)	2 500	4 389	(1 889)
Financial transactions in assets and liabilities	2 053	3 358	(1 305)	4 500	369	4 131
Total	1 653 507	1 664 980	(11 473)	1 572 160	1 656 407	(84 247)

2.3 Free Services

The Department does not render any free services that would have yielded significant revenue had a tariff been charged.

2.4 Inventories

The inventory on hand at 31 March 2015 is R29.5 million. Details of the inventory movements are included in Annexure 6 to the Annual Financial Statements.

2. Capacity constraints

Financial Constraints

The current condition of the road network is negatively impacting on the economic growth of historically disadvantaged areas. The backlog in maintenance must be addressed to facilitate economic growth in the second economy, job creation and poverty alleviation. The Department, together with Provincial Treasury have initiated a Maintenance Task Team working on finding alternate sources of funding to address the budget shortfall.

Whilst addressing the backlog in maintenance it is vital that the ongoing maintenance programme continues. This ensures that newly constructed and upgraded roads do not deteriorate unduly. The annual need for this ongoing maintenance exceeds the budget allocated. The backlog cannot therefore be adequately addressed.

The capacity of the Department to deliver efficiently and effectively on its mandate is dependent on the availability of a skilled and experienced workforce. The scarcity of certain skills in the South African labour market negatively affects the KwaZulu-Natal Department of Transport and its service delivery initiatives. This situation is exacerbated by the more competitive salaries offered by the private sector and municipalities for technicians and engineers.

One of the major constraints on the Department is the impact of HIV/AIDS on the workforce. Loss of skilled workers through sickness and death is not only a human tragedy but also negatively impacts on service delivery. In order to address this constraint the Department has implemented HIV/AIDS awareness and education programmes in order to reduce the impact of this pandemic on Departmental staff both personally and professionally. The Department has also implemented an Employee Wellness Programme which provided free medical testing and referral services to staff for all medical conditions, not just HIV/AIDS. The programme also provides counselling and lifestyle advice for staff in order to improve wellness. For staff with HIV/AIDS, the Department provided free nutritional supplementation packs.

3. Utilisation of aid assistance

The detail of aid assistance received is tabled in Annexure 1H of the annual financial statements.

4. Trading entities and public entities

The Department has no trading entities and public entities reporting to it.



5. Organisations to whom transfer payments have been made

Funds to institutions in terms of various legal provisions governing financial relations between government and those institutions are made available through various programmes. Transfer payments were made to the Vukuzakhe Emerging Contractor Association (VECA) during the 201/15 financial year. During the 2015/16 financial year the department had planned to make a transfer to VECA however no payment was made as a result of non-compliance by VECA with the conditions of the agreement.

6. Public private partnerships (PPP)

No Public Private Partnerships have been entered into by the Department during the financial year under review.

7. Corporate governance arrangements

The Department operates in compliance with the Constitution of the Republic of South Africa, the Public Financial Management Act, the Public Service Act and all other relevant legislation governing its operations. The Department's Senior Management Team is committed to the principles of sound Corporate Governance and is aware of their responsibilities and accountability in respect to this.

A risk assessment was conducted by the department, in conjunction with the Provincial Internal Audit Unit and the department has been able to compile a risk register that has enabled management to identify and effect control measures that will reduce or mitigate risks that may occur as the department moves towards the achievement of its strategic objectives.

8. Discontinued activities/activities to be discontinued

The function of the provincial co-ordination of EPWP was shifted to the Department of Public Works from the beginning of the 2015/16 financial year. Funds were also suspended in that regard. No further activities are envisaged to be discontinued at this stage.

9. New/proposed activities

There are no new/proposed activities during the financial year under review.

10. Supply Chain Management

List of unsolicited bid proposals concluded for the year under review

Any unsolicited bids received would have been dealt with in terms of the National Treasury Practice Note on unsolicited bids, however there were no unsolicited bids received during this reporting period.

List whether SCM processes are in place to prevent irregular expenditure

The Department has issued a financial procedure manual which includes various procedures relating to SCM expenditure in order to mitigate irregular expenditure.

Challenges experienced in SCM and how they were resolved

Human Resource Structure shortcomings were noted in the Regional and Cost Centre offices. The SCM components planned for the regions as part of the restructuring process provide additional SCM support and dedicated capacity in order to address these shortcomings. The implementation of these structures will be made difficult with the reductions in personnel budgets imposed by Treasury.

11. Gifts and Donations Received in kind from Non-Related Parties

The Department did not receive any donations during the period under review.

12. Asset management

All assets have been recorded on the Department's asset management system (HARDCAT) and an asset register was extracted as at 31 March 2016. The minimum requirements for the completion of the asset register and all asset management reforms and milestones have been complied with.

In addition to the normal day-to-day administration and management of the department's asset register, the department's Asset Management unit undertook key activities to improve the overall asset management environment of the department. These activities are as follows:

- Asset Verification – The Asset Management unit continued to co-ordinate the asset verification process. The focus of the 2015/16 annual asset verification is to ensure that all departmental assets are accounted for and to identify redundant and obsolete assets for disposal.
- Asset Disposal – During the 2015/16 financial year the department managed to dispose redundant and obsolete assets through a donation (mostly computer equipment), sale of scrap, auction sale (motor vehicles and plant). During the process, revenue amounting to R6.221 million was collected for the sale of capital and minor assets.

13. Events after the reporting date

There are no significant events that occurred after the reporting date which will influence the interpretation of



the results under review.

14. Performance information

The Department has clearly defined service delivery outputs which are managed by the appointed respective components and report in the prescribed format as defined by the treasury guideline document. Responsibility Managers reported on a quarterly basis on the progress made with regard to programme delivery and measurable objectives, as contained in the Department's Strategic Plan and the Annual Performance Plan. Refer to Part B of the Annual Report.

15. SCOPA resolutions

During the year under review all resolution that were raised by SCOPA were tables and debated with satisfactory responses provided. The department continually monitors and updates the progress on the audit improvement plan to ensure issues raised are resolved. There are not outstanding resolution for the period under review.

16. Prior modifications to audit reports

2011/12 Financially unqualified audit opinion

2012/13 Clean audit opinion

2013/14 Qualified audit opinion

2014/15 Qualified audit opinion

2015/16 Qualified audit opinion

17. Interim financial statements

Interim financial statements were issued for various quarters of the financial year that depicted a true and fair view of the financial performance, financial position, changes to net assets and cash flows of the department at the end of each quarter. The interim financial statements were prepared on a modified cash basis of accounting and in terms of the National Treasury Framework, as prescribed in the PFMA and Treasury Regulations and the relevant guidelines issued by the National Treasury.

18. Other

There is no other material fact or circumstances, which may have an effect on the understanding of the financial state of affairs that is not addressed elsewhere in this department.

19. Approval

The attached Annual Financial Statements have been approved by the Accounting Officer.

Mr. BS Gumbi
HEAD: TRANSPORT

Date:



Appropriation per programme									
	2015/16					2014/15			
	Adjusted Appropriation	Shifting of Funds	Vehement	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
Voted funds and Direct charges									
Programme									
1. <u>Administration</u>	315 220	-	(9 199)	306 021	306 021	-	100.0%	253 814	258 972
2. <u>Transport Infrastructure</u>	6 811 409	-	182 755	6 994 164	6 977 023	17 141	99.8%	6 827 918	6 821 519
3. <u>Transport Operations</u>	1 397 008	-	(108 939)	1 288 069	1 288 069	-	100.0%	1 253 412	1 227 597
4. <u>Transport Regulation</u>	798 884	-	(61 094)	737 790	737 790	-	100.0%	670 201	702 150
5. <u>Community Based Programme</u>	44 039	-	(3 523)	40 516	29 589	10 927	73.0%	45 540	41 711
Programme sub total	9 366 560	-	-	9 366 560	9 338 492	28 068	99.7%	9 050 885	9 051 949
Statutory Appropriation									
TOTAL	9366 560			9 366 560	9 338 492	28 068	99.7%	9 050 885	9 051 949
Reconciliation with Statement of Financial Performance									
Add: Departmental receipts				1 664 980				1 656 407	
NRF Receipts				-				-	
Aid assistance				-				40 000	
Actual amounts per Statement of Financial Performance (Total Revenue)				11 031 540				10 747 292	
Add: Aid assistance					14 602				14 983
Prior year unauthorised expenditure approved without funding									
Actual amounts per Statement of Financial Performance Expenditure					9 353 094				9 066 932



Appropriation per economic classification									
	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000	Actual Expenditure R'000
Current payments	4 902 812	-	(795 626)	4 107 186	4 071 018	36 168	99.1%	4 428 768	4 177 719
Compensation of employees	1 675 716	-	(177 060)	1 498 656	1 492 729	5 927	99.6%	1 355 698	1 369 860
Salaries and wages	1 509 372	-	(167 612)	1 341 760	1 335 833	5 927	99.6%	1 355 698	1 369 860
Social contributions	166 344	-	(9 448)	156 896	156 896	-	100.0%	-	-
Goods and services	3 227 093	-	(618 566)	2 608 527	2 578 286	30 241	98.8%	3 073 070	2 807 854
Administrative fees	2 343	-	(440)	1 903	1 903	-	100.0%	1 452	1 632
Advertising	11 242	-	1 452	12 694	12 694	-	100.0%	8 100	11 303
Minor assets	6 576	-	12	6 588	6 588	-	100.0%	6 407	5 489
Audit costs: External	6 802	-	(346)	6 456	6 456	-	100.0%	6 773	6 961
Bursaries: Employees	1 000	-	(866)	134	134	-	100.0%	428	442
Catering: Departmental activities	7 099	-	(1 540)	5 559	5 559	-	100.0%	8 168	7 393
Communication (G&S)	33 149	-	2 542	35 691	35 691	-	100.0%	37 471	35 374
Computer services	46 637	-	2 032	48 669	48 669	-	100.0%	34 362	45 673
Consultants: Business and advisory services	141 318	-	(23 919)	117 399	117 399	-	100.0%	156 328	152 519
Infrastructure and planning services	117 757	-	17 687	135 444	135 444	-	100.0%	99 457	107 368
Laboratory services	430	-	83	513	513	-	100.0%	237	435
Legal services	23 692	-	(838)	22 854	22 854	-	100.0%	23 117	19 053
Contractors	1 889 845	-	(352 257)	1 537 588	1 507 347	30 241	98.0%	1 647 268	1 410 120
Agency and support / outsourced services	13 381	-	(3 114)	10 267	10 267	-	100.0%	8 564	1 710
Entertainment	23	-	(21)	2	2	-	100.0%	21	13
Fleet services (including government motor transport)	85 907	-	253	86 160	86 160	-	100.0%	53 659	69 095



Appropriation per economic classification									
	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000	Actual Expenditure R'000
Inventory: Clothing material and accessories	7 924	-	158	8 082	8 082	-	100.0%	5 731	6 042
Inventory: Farming supplies	7	-	(7)	-	-	-	-	-	-
Inventory: Food and food supplies	869	-	(148)	721	721	-	100.0%	844	1 000
Inventory: Fuel, oil and gas	26 959	-	13 091	40 050	40 050	-	100.0%	18 118	40 198
Inventory: Learner and teacher support material	528	-	(186)	342	342	-	100.0%	550	394
Inventory: Materials and supplies	78 799	-	(2 295)	76 504	76 504	-	100.0%	72 795	82 647
Inventory: Medical supplies	103	-	(103)	-	-	-	-	3	-
Inventory: Medicine	32	-	428	460	460	-	100.0%	1 334	1 685
Inventory: Other supplies	-	-	-	-	-	-	-	1	-
Consumable supplies	6 768	-	9 143	15 911	15 911	-	100.0%	6 607	5 614
Consumable: Stationery, printing and office supplies	20 763	-	(11 117)	9 646	9 646	-	100.0%	13 263	13 267
Operating leases	54 470	-	(26 778)	27 692	27 692	-	100.0%	61 613	59 109
Property payments	96 641	-	214	96 855	96 855	-	100.0%	85 652	86 956
Transport provided: Departmental activity	242 933	-	(27 673)	215 260	215 260	-	100.0%	180 403	141 890
Travel and subsistence	69 821	-	(8 768)	61 053	61 053	-	100.0%	56 297	59 687
Training and development	8 988	-	(2 492)	6 496	6 496	-	100.0%	6 342	3 444
Operating payments	11 635	-	620	12 255	12 255	-	100.0%	10 730	9 331
Venues and facilities	10 623	-	(1 641)	8 982	8 982	-	100.0%	13 158	19 495
Rental and hiring	202 029	-	(201 732)	297	297	-	100.0%	447 817	402 515
Interest and rent on land	3	-	-	3	3	-	100.0%	-	5
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	5



Appropriation per economic classification									
	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000	Actual Expenditure R'000
Rent on land	3	-	-	3	3	-	100.0%	-	-
Transfers and subsidies	1 097 274	-	(75 459)	1 021 815	1 016 815	5 000	99.5%	1 036 808	1 028 292
Provinces and municipalities	3 435	-	1 102	4 537	4 537	-	100.0%	8 502	8 615
Provinces	3 435	-	1 102	4 537	4 537	-	100.0%	3 980	4 093
Provincial agencies and funds	3 435	-	1 102	4 537	4 537	-	100.0%	3 980	4 093
Municipalities	-	-	-	-	-	-	-	4 522	4 522
Municipal agencies and funds	-	-	-	-	-	-	-	4 522	4 522
Departmental agencies and accounts	4 771	-	(3 163)	1 608	1 608	-	100.0%	-	-
Departmental agencies (non-business entities)	4 771	-	(3 163)	1 608	1 608	-	100.0%	-	-
Public corporations and private enterprises	1 063 000	-	(64 943)	998 057	993 057	5 000	99.5%	1 002 829	985 852
Private enterprises	1 063 000	-	(64 943)	998 057	993 057	5 000	99.5%	1 002 829	985 852
Other transfers to private enterprises	1 063 000	-	(64 943)	998 057	993 057	5 000	99.5%	1 002 829	985 852
Households	26 068	-	(8 455)	17 613	17 613	-	100.0%	25 477	33 825
Social benefits	12 613	-	(3 373)	9 240	9 240	-	100.0%	11 391	28 776
Other transfers to households	13 455	-	(5 082)	8 373	8 373	-	100.0%	14 086	5 049
Payments for capital assets	3 361 778	-	870 586	4 232 364	4 245 464	(13 100)	100.3%	3 585 078	3 845 558
Buildings and other fixed structures	3 185 943	-	833 799	4 019 742	4 032 842	(13 100)	100.3%	3 438 362	3 675 620
Other fixed structures	3 185 943	-	833 799	4 019 742	4 032 842	(13 100)	100.3%	3 438 362	3 675 620
Machinery and equipment	175 835	-	24 342	200 177	200 177	-	100.0%	145 623	166 436
Transport equipment	166 000	-	21 026	187 026	187 026	-	100.0%	31 660	48 748
Other machinery and equipment	9 835	-	3 316	13 151	13 151	-	100.0%	113 963	117 688
Software and other intangible assets	-	-	12 445	12 445	12 445	-	100.0%	1 093	3 502
Payment for financial assets	4 696	-	499	5 195	5 195	-	100.0%	231	380



Appropriation per economic classification							
	2015/16				2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%
	9 366 560	-	-	9 366 560	9 338 492	28 068	99.7%
							9 050 885
							9 051 949

PROGRAMME 1: ADMINISTRATION							
	2015/16				2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%
Sub programme							
1. Office of the MEC	14 210	-	(2 319)	11 891	11 891	-	100.0%
2. Management	15 153	-	(965)	14 188	14 188	-	100.0%
3. Corporate Support	264 987	-	(2 187)	262 800	262 800	-	100.0%
4. Departmental Strategy	20 870	-	(3 728)	17 142	17 142	-	100.0%
	315 220	-	(9 199)	306 021	306 021	-	100.0%
							253 814
							258 972
Economic classification							
Current payments	276 702	-	(16 073)	260 629	260 629	-	100.0%
Compensation of employees	140 406	-	(23 508)	116 898	116 898	-	100.0%
Salaries and wages	123 281	-	(22 040)	101 241	101 241	-	100.0%
Social contributions	17 125	-	(1 468)	15 657	15 657	-	100.0%
Goods and services	136 296	-	7 435	143 731	143 731	-	100.0%
Administrative fees	448	-	(13)	435	435	-	100.0%
Advertising	6 630	-	2 797	9 427	9 427	-	100.0%
Minor assets	1 147	-	(297)	850	850	-	100.0%
Audit costs: External Bursaries: Employees	6 705 1 000	-	(342)	6 363	6 363	-	100.0%
							100.0%
							232 491
							107 434
							107 434
							-
							125 052
							282
							2 623
							819
							6 502
							428



PROGRAMME 1: ADMINISTRATION									
2015/16									
	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
Catering: Departmental activities	3 717	-	(866)	134	134	-	-	1 226	1 929
Communication (G&S)	11 218	-	(876)	2 841	2 841	-	100.0%	13 854	14 358
Computer services	33 776	-	(1 554)	32 222	32 222	-	100.0%	20 739	32 007
Consultants: Business and advisory services	5 807	-	3 941	9 748	9 748	-	100.0%	8 464	10 205
Infrastructure and planning services	-	-	-	-	-	-	-	1 498	-
Legal services	11 829	-	2 154	13 983	13 983	-	100.0%	18 647	12 285
Contractors	7 212	-	8 316	15 528	15 528	-	100.0%	16 516	15 202
Agency and support/ outsourced services	2 259	-	38	2 297	2 297	-	100.0%	999	1317
Entertainment	23	-	(21)	2	2	-	100.0%	21	13
Fleet services (including government motor transport)	6 552	-	(1 551)	5 001	5 001	-	100.0%	2 386	2 222
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	16	16
Inventory: Food and food supplies	472	-	(39)	433	433	-	100.0%	464	473
Inventory: Fuel, oil and gas	39	-	(39)	-	-	-	-	37	-
Inventory: Learner and teacher support material	391	-	(124)	267	267	-	100.0%	324	262
Inventory: Materials and supplies	-	-	-	-	-	-	-	14	12
Inventory: Medicine	-	-	450	450	450	-	100.0%	1 283	1 657
Consumable supplies	367	-	195	562	562	-	100.0%	1 566	774
Consumable: Stationery, printing and office supplies	1 376	-	(132)	1 244	1 244	-	100.0%	1 289	1 455
Operating leases	2 636	-	(1 442)	1 194	1 194	-	100.0%	4 518	3 958
Property payments	9 540	-	(1 824)	7 716	7 716	-	100.0%	4 722	4 474



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	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transport provided: Departmental activity	2 775	-	(220)	2 555	2 555	-	100.0%	1 580	1 239
Travel and subsistence	13 412	-	(2 367)	11 045	11 045	-	100.0%	6 750	8 810
Training and development	1 171	-	(347)	824	824	-	100.0%	2 453	417
Operating payments	1 101	-	(354)	747	747	-	100.0%	893	656
Venues and facilities	4 693	-	(1 776)	2 917	2 917	-	100.0%	1 157	439
Interest and rent on land	-	-	-	-	-	-	-	-	5
Interest (incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	5
Transfers and subsidies	18 755	-	(7 680)	11 075	11 075	-	100.0%	11 761	9 627
Provinces and municipalities	78	-	(43)	35	35	-	100.0%	600	578
Provinces	78	-	(43)	35	35	-	100.0%	78	56
Provincial agencies and funds	78	-	(43)	35	35	-	100.0%	78	56
Municipalities	-	-	-	-	-	-	-	4 522	4 522
Municipal agencies and funds	-	-	-	-	-	-	-	4 522	4 522
Departmental agencies and accounts	4 771	-	(3 163)	1 608	1 608	-	100.0%	-	-
Departmental agencies (non-business entities)	4 771	-	(3 163)	1 608	1 608	-	100.0%	-	-
Households	13 906	-	(4 474)	9 432	9 432	-	100.0%	7 161	5 049
Social benefits	1 254	-	(59)	1 195	1 195	-	100.0%	-	-
Other transfers to households	12 652	-	(4 415)	8 237	8 237	-	100.0%	7 161	5 049
Payments for capital assets	15 205	-	14 528	29 733	29 733	-	100.0%	6 922	16 797
Machinery and equipment	15 205	-	2 083	17 288	17 288	-	100.0%	6 072	14 360
Transport equipment	12 000	-	(3 279)	8 721	8 721	-	100.0%	-	-
Other machinery and equipment	3 205	-	5 362	8 567	8 567	-	100.0%	6 072	14 360



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	Actual Expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
-	-	12 445	12 445	12 445	-	100.0%	850	2 437	
4 558	-	26	4 584	4 584	-	100.0%	49	57	
315 220	-	(9 199)	306 021	306 021	-	100.0%	253 814	258 972	

Sub programme: 1.1: Office of the MEC

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	R'000					
14 161	-	(2 306)	11 855	11 855	-	100.0%	11 668	11 167						
8 133	-	(1 746)	6 387	6 387	-	100.0%	5 929	5 414						
7 128	-	(1 498)	5 630	5 630	-	100.0%	5 929	5 414						
1 005	-	(248)	757	757	-	100.0%	-	-						
6 028	-	(560)	5 468	5 468	-	100.0%	5 739	5 753						
187	-	(28)	159	159	-	100.0%	110	125						
7 13	-	(228)	485	485	-	100.0%	185	528						
395	-	(52)	343	343	-	100.0%	353	245						
284	-	(95)	189	189	-	100.0%	270	287						
20	-	(20)	-	-	-	-	19	-						
1 505	-	(91)	1 414	1 414	-	100.0%	1 433	1 364						
51	-	(28)	23	23	-	100.0%	49	45						
46	-	(46)	-	-	-	-	44	28						



	179	-	71	250	250	250	-	100.0%	170	186
Consumable: Stationery, printing and office supplies										
Operating leases	185	-	(24)	161	161	161	-	100.0%	176	185
Property payments	263	-	61	324	324	324	-	100.0%	151	194
Travel and subsistence	2 005	-	58	2 063	2 063	2 063	-	100.0%	2 715	2 538
Training and development	-	-	1	1	1	1	-	100.0%	-	-
Venues and facilities	195	-	(139)	56	56	56	-	100.0%	64	28
Transfers and subsidies	1	-	1	2	2	2	-	100.0%	2	4
Provinces and municipalities	1	-	1	2	2	2	-	100.0%	2	4
Provinces	1	-	1	2	2	2	-	100.0%	2	4
Provincial agencies and funds	1	-	1	2	2	2	-	100.0%	2	4
Payments for capital assets	48	-	(14)	34	34	34	-	100.0%	860	830
Machinery and equipment	48	-	(14)	34	34	34	-	100.0%	860	830
Other machinery and equipment	48	-	(14)	34	34	34	-	100.0%	860	830
Total	14 210	-	(2 319)	11 891	11 891	11 891	-	100.0%	12 530	12 001

	2015/16						2014/15		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	10 548	-	(914)	9 634	9 634	-	100.0%	10 047	7 503
Compensation of employees	3 592	-	(389)	3 203	3 203	-	100.0%	3 257	3 152
Salaries and wages	3 184	-	(336)	2 848	2 848	-	100.0%	3 257	3 152
Social contributions	408	-	(53)	355	355	-	100.0%	-	-
Goods and services	6 956	-	(525)	6 431	6 431	-	100.0%	6 790	4 351
Administrative fees	20	-	(12)	8	8	-	100.0%	19	16



Sub programme: 1.2: Management	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
Economic classification									
Advertising	211	-	(95)	116	116	-	100.0%	-	91
Minor assets	74	-	(74)	-	-	-	-	70	-
Catering: Departmental activities	42	-	(39)	3	3	-	100.0%	72	96
Communication (G&S)	119	-	(23)	96	96	-	100.0%	126	93
Consultants: Business and advisory services	562	-	-	562	562	-	100.0%	-	-
Infrastructure and planning services	-	-	-	-	-	-	-	1 498	-
Legal services	941	-	(941)	-	-	-	-	1 768	1 060
Contractors	1 893	-	222	2 115	2 115	-	100.0%	406	205
Agency and support / outsourced services	1 113	-	248	1 361	1 361	-	100.0%	-	578
Entertainment	3	-	(1)	2	2	-	100.0%	2	-
Fleet services (including government motor transport)	289	-	138	427	427	-	100.0%	188	324
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	16	16
Inventory: Materials and supplies	-	-	-	-	-	-	-	2	-
Consumable supplies	168	-	12	180	180	-	100.0%	1 253	537
Consumable: Stationery, printing and office supplies	19	-	(11)	8	8	-	100.0%	18	15
Operating leases	151	-	(30)	121	121	-	100.0%	144	151
Property payments	334	-	(231)	103	103	-	100.0%	503	322
Transport provided: Departmental activity	699	-	445	1 144	1 144	-	100.0%	350	475
Travel and subsistence	318	-	(133)	185	185	-	100.0%	303	320
Venues and facilities	-	-	-	-	-	-	-	52	52
Transfers and subsidies	-	-	1	1	1	-	100.0%	2	2
Provinces and municipalities	-	-	-	-	-	-	-	2	2
Provinces	-	-	-	-	-	-	-	2	2
Provincial agencies and funds	-	-	-	-	-	-	-	2	2
Households	-	-	1	1	1	-	100.0%	-	-
Social benefits	-	-	1	1	1	-	100.0%	-	-
Payments for capital assets	52	-	(52)	-	-	-	-	101	45



Sub programme: 1.2: Management		2015/16						2014/15	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Machinery and equipment	52	-	(52)	-	-	-	-	101	45
Other machinery and equipment	52	-	(52)	-	-	-	-	101	45
Payment of financial assets	4 553	-	-	4 553	4 553	-	100.0%	-	-
Total	15 153	-	(965)	14 188	14 188	-	100.0%	10 150	7 550

Sub programme: 1.3: Corporate Support		2015/16						2014/15	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	231 230	-	(9 184)	222 046	222 046	-	100.0%	193 882	196 602
Compensation of employees	113 499	-	(15 726)	97 773	97 773	-	100.0%	90 511	90 195
Salaries and wages	99 106	-	(14 650)	84 456	84 456	-	100.0%	90 511	90 195
Social contributions	14 393	-	(1 076)	13 317	13 317	-	100.0%	-	-
Goods and services	117 731	-	6 542	124 273	124 273	-	100.0%	103 371	106 402
Administrative fees	228	-	27	255	255	-	100.0%	141	200
Advertising	6 372	-	2 931	9 303	9 303	-	100.0%	2 576	2 408
Minor assets	1 066	-	(217)	849	849	-	100.0%	742	988
Audit costs: External	6 705	-	(342)	6 363	6 363	-	100.0%	6 502	6 561
Bursaries: Employees	1 000	-	(866)	134	134	-	100.0%	428	442
Catering: Departmental activities	2 953	-	(600)	2 353	2 353	-	100.0%	960	1 296
Communication (G&S)	10 523	-	3 829	14 352	14 352	-	100.0%	13 257	13 944
Computer services	33 776	-	(1 554)	32 222	32 222	-	100.0%	20 739	32 007
Consultants: Business and advisory services	1 988	-	1 034	3 022	3 022	-	100.0%	3 986	3 164



Sub programme: 1.3: Corporate Support	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	R'000	R'000	
Economic classification												
Legal services	10 888	-	3 095	13 983	13 983	-	100.0%	16 879	11 225			
Contractors	5 035	-	8 189	13 224	13 224	-	100.0%	15 840	14 710			
Agency and support / outsourced services	1 146	-	(210)	936	936	-	100.0%	999	739			
Entertainment	-	-	-	-	-	-	-	-	13			
Fleet services (including government motor transport)	4 181	-	(1 519)	2 662	2 662	-	100.0%	685	268			
Inventory: Food and food supplies	417	-	(7)	410	410	-	100.0%	411	428			
Inventory: Learner and teacher support material	345	-	(78)	267	267	-	100.0%	280	234			
Inventory: Materials and supplies	-	-	-	-	-	-	-	12	12			
Inventory: Medicine	-	-	450	450	450	-	100.0%	1 283	1 657			
Consumable supplies	199	-	183	382	382	-	100.0%	313	237			
Consumable: Stationery, printing and office supplies	1 072	-	(109)	963	963	-	100.0%	1 000	1 188			
Operating leases	2 015	-	(1 275)	740	740	-	100.0%	4 079	3 507			
Property payments	8 943	-	(1 654)	7 289	7 289	-	100.0%	4 068	3 958			
Transport provided: Departmental activity	2 076	-	(665)	1 411	1 411	-	100.0%	1 230	764			
Travel and subsistence	10 141	-	(1 815)	8 326	8 326	-	100.0%	2 677	5 063			
Training and development	1 147	-	(336)	811	811	-	100.0%	2 430	414			
Operating payments	1 017	-	(312)	705	705	-	100.0%	813	616			
Venues and facilities	4 498	-	(1 637)	2 861	2 861	-	100.0%	1 041	359			
Interest and rent on land	-	-	-	-	-	-	-	-	5			
Interest (incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	5			
Transfers and subsidies	18 754	-	(7 694)	11 060	11 060	-	100.0%	11 757	9 620			
Provinces and municipalities	77	-	(45)	32	32	-	100.0%	4 596	4 571			
Provinces	77	-	(45)	32	32	-	100.0%	74	49			



Sub programme: 1.3: Corporate Support	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	R'000
Economic classification										
Provincial agencies and funds	77	-	(45)	32	32	-	100.0%	74	49	
Municipalities	-	-	-	-	-	-	-	4 522	4 522	
Municipal agencies and accounts	-	-	-	-	-	-	-	4 522	4 522	
Departmental agencies and accounts	4 771	-	(3 163)	1 608	1 608	-	100.0%	-	-	
Departmental agencies (non-business entities)	4 771	-	(3 163)	1 608	1 608	-	100.0%	-	-	
Households	13 906	-	(4 486)	9 420	9 420	-	100.0%	7 161	5 049	
Social benefits	1 254	-	(71)	1 183	1 183	-	100.0%	-	-	
Other transfers to households	12 652	-	(4 415)	8 237	8 237	-	100.0%	7 161	5 049	
Payments for capital assets	15 000	-	14 665	29 665	29 665	-	100.0%	5 886	15 826	
Machinery and equipment	15 000	-	2 220	17 220	17 220	-	100.0%	5 036	13 389	
Transport equipment	12 000	-	(3 279)	8 721	8 721	-	100.0%	-	-	
Other machinery and equipment	3 000	-	5 499	8 499	8 499	-	100.0%	5 036	13 389	
Software and other intangible assets	-	-	12 445	12 445	12 445	-	100.0%	850	2 437	
Payment for financial assets	3	-	26	29	29	-	100.0%	49	57	
Total	264 987	-	(2 187)	262 800	262 800	-	100.0%	211 574	222 105	

Sub programme: 1.4: Departmental Strategy	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	R'000
Economic classification										
Current payments	20 763	-	(3 669)	17 094	17 094	-	100.0%	19 485	17 219	



Sub programme: 1.4: Departmental Strategy	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
Economic classification									
Compensation of employees	15 182	-	(5 647)	9 535	9 535	-	100.0%	13 315	8 673
Salaries and wages	13 863	-	(5 556)	8 307	8 307	-	100.0%	13 315	8 673
Social contributions	1 319	-	(91)	1 228	1 228	-	100.0%	-	-
Goods and services	5 581	-	1 978	7 559	7 559	-	100.0%	6 170	8 546
Administrative fees	13	-	-	13	13	-	100.0%	12	9
Advertising	47	-	(39)	8	8	-	100.0%	47	26
Minor assets	7	-	(6)	1	1	-	100.0%	7	6
Catering: Departmental activities	9	-	(9)	-	-	-	100.0%	9	9
Communication (G&S)	181	-	(26)	155	155	-	100.0%	118	76
Consultants: Business and advisory services	3 257	-	2 907	6 164	6 164	-	100.0%	4 478	7 041
Fleet services (including government motor transport)	577	-	(79)	498	498	-	100.0%	80	266
Inventory: Food and food supplies	4	-	(4)	-	-	-	-	4	-
Inventory: Fuel, oil and gas	39	-	(39)	-	-	-	-	37	-
Consumable: Stationery, printing and office supplies	106	-	(83)	23	23	-	100.0%	101	66
Operating leases	285	-	(113)	172	172	-	100.0%	119	115
Travel and subsistence	948	-	(477)	471	471	-	100.0%	1 055	889
Training and development	24	-	(12)	12	12	-	100.0%	23	3
Operating payments	84	-	(42)	42	42	-	100.0%	80	40
Transfers and subsidies									
Provinces and municipalities	-	-	12	12	12	-	100.0%	-	1
Provinces	-	-	1	1	1	-	100.0%	-	1
Provincial agencies and funds	-	-	1	1	1	-	100.0%	-	1
Households	-	-	11	11	11	-	100.0%	-	-



Sub programme: 1.4: Departmental Strategy	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	R'000
Economic classification										
Social benefits	-	-	11	11	11	-	100.0%	-	-	-
Payments for capital assets	105	-	(71)	34	34	-	100.0%	75	96	96
Machinery and equipment	105	-	(71)	34	34	-	100.0%	75	96	96
Other machinery and equipment	105	-	(71)	34	34	-	100.0%	75	96	96
Payment for financial assets	2	-	-	2	2	-	100.0%	-	-	-
Total	20 870	-	(3 728)	17 142	17 142	-	100.0%	19 560	17 316	17 316

Programme 2: Transport Infrastructure	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	R'000
Sub programme										
1. <u>Programme Support Infrastructure</u>	214 620	-	32 167	246 787	246 787	-	100.0%	192 094	260 565	260 565
2. <u>Infrastructure Planning</u>	53 574	-	(29 145)	24 429	24 429	-	100.0%	49 480	37 888	37 888
3. <u>Infrastructure Design</u>	35 446	-	(151)	35 295	35 295	-	100.0%	26 970	26 741	26 741
4. <u>Construction</u>	3 185 943	-	833 799	4 019 742	4 032 842	(13 100)	100.0%	3 445 285	3 675 620	3 675 620
5. <u>Maintenance</u>	3 321 826	-	(653 915)	2 667 911	2 637 670	30 241	98.9%	3 114 089	2 820 705	2 820 705
	6 811 409	-	182 755	6 994 164	6 977 023	17 141	99.8%	6 827 918	6 821 519	6 821 519
Economic classification										
Current payments	3 489 451	-	(689 659)	2 799 792	2 799 551	30 241	98.9%	3 263 654	3 013 695	3 013 695
Compensation of employees	897 342	-	(80 876)	816 466	816 466	-	100.0%	723 586	737 529	737 529
Salaries and wages	830 191	-	(77 743)	752 448	752 448	-	100.0%	723 586	737 529	737 529



	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
Social contributions	67 151	-	(3 133)	64 018	64 018	-	100.0%	-	-
Goods and services	2 592 109	-	(608 783)	1 983 326	1 953 085	30 241	98.5%	2 540 068	2 276 166
Administrative fees	801	-	(232)	569	569	-	100.0%	652	468
Advertising	1 150	-	(373)	777	777	-	100.0%	348	678
Minor assets	3 871	-	(105)	3 766	3 766	-	100.0%	3 419	2 917
Audit costs: External	38	-	26	64	64	-	100.0%	206	375
Catering: Departmental activities	83	-	(36)	47	47	-	100.0%	2 310	2 184
Communication (G&S)	10 501	-	(697)	9 804	9 804	-	100.0%	11 941	10 351
Computer services	3 508	-	1 648	5 156	5 156	-	100.0%	3 318	3 270
Consultants: Business and advisory services	93 426	-	(24 675)	68 751	68 751	-	100.0%	110 099	89 288
Infrastructure and planning services	117 054	-	17 780	134 834	134 834	-	100.0%	97 559	107 368
Laboratory services	430	-	83	513	513	-	100.0%	237	435
Legal services	2 115	-	(1 150)	965	965	-	100.0%	2 288	2 435
Contractors	1 856 257	-	(376 901)	1 479 356	1 449 115	-	98.0%	1 600 463	1 367 411
Agency and support / outsourced services	9 785	-	(3 101)	6 684	6 684	-	100.0%	7 250	82
Fleet services (including government motor transport)	52 637	-	1 613	54 250	54 250	-	100.0%	19 272	34 603
Inventory: Clothing material and accessories	3 581	-	(324)	3 257	3 257	-	100.0%	4 622	3 993
Inventory: Farming supplies	7	-	(7)	-	-	-	-	-	-
Inventory: Food and food supplies	313	-	(98)	215	215	-	100.0%	293	228
Inventory: Fuel, oil and gas	26 806	-	13 185	39 991	39 991	-	100.0%	17 882	40 152
Inventory: Learner and teacher support material	1	-	(1)	-	-	-	-	1	-
Inventory: Materials and supplies	78 719	-	(3 055)	75 664	75 664	-	100.0%	72 324	81 169
Inventory: Medical supplies	103	-	(103)	-	-	-	-	2	-



Programme 2: Transport Infrastructure	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: Medicine	29	-	(22)	7	7	-	-	50	27
Consumable supplies	3 071	-	(1 122)	1 949	1 949	-	100.0%	2 367	2 091
Consumable: Stationery, printing and office supplies	3 061	-	(108)	2 953	2 953	-	100.0%	2 408	2 590
Operating leases	28 995	-	(26 543)	2 452	2 452	-	100.0%	37 527	34 559
Property payments	53 844	-	3 561	57 405	57 405	-	100.0%	51 156	48 649
Transport provided: Departmental activity	639	-	91	730	730	-	100.0%	3 844	3 413
Travel and subsistence	26 159	-	(612)	25 547	25 547	-	100.0%	27 377	25 267
Training and development	6 974	-	(3 189)	3 785	3 785	-	100.0%	2 759	2 101
Operating payments	6 430	-	(2 641)	3 789	3 789	-	100.0%	6 160	3 454
Venues and facilities	18	-	(5)	13	13	-	100.0%	4 546	4 526
Rental and hiring	201 703	-	(201 670)	33	33	-	100.0%	447 388	402 082
Transfers and subsidies	12 167	-	(1 802)	10 365	10 365	-	100.0%	19 164	29 597
Provinces and municipalities	2 587	-	1 427	4 014	4 014	-	100.0%	3 234	3 286
Provinces	2 587	-	1 427	4 014	4 014	-	100.0%	3 234	3 286
Provincial agencies and funds	2 587	-	1 427	4 014	4 014	-	100.0%	3 234	3 286
Households	9 580	-	(3 229)	6 351	6 351	-	100.0%	15 930	26 311
Social benefits	9 020	-	(2 688)	6 332	6 332	-	100.0%	9 007	26 311
Other transfers to households	560	-	(541)	19	19	-	100.0%	6 923	-
Payments for capital assets	3 309 729	-	873 955	4 183 684	4 196 784	(13 100)	100.3%	3 544 983	3 778 083
Buildings and other fixed structures	3 185 943	-	833 799	4 019 742	4 032 842	(13 100)	100.3%	3 438 362	3 675 620
Other fixed structures	3 185 943	-	833 799	4 019 742	4 032 842	(13 100)	100.3%	3 438 362	3 675 620
Machinery and equipment	123 786	-	40 156	163 942	163 942	-	100.0%	106 378	101 398



Programme 2: Transport Infrastructure									
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	R'000
120 000	-	41 039	161 039	161 039	-	100.0%	-	-	-
3 786	-	(883)	2 903	2 903	-	100.0%	106 378	101 398	101 398
62	-	261	323	323	-	100.0%	243	1065	1065
6 811 409	-	182 755	6 994 164	6 977 023	17 141	99.8%	6 827 918	6 821 519	6 821 519

Sub programme: 2.1: Programme Support Infrastructure									
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	R'000
211 698	-	31 150	242 848	242 848	-	100.0%	189 258	238 565	238 565
85 561	-	(9 286)	76 275	76 275	-	100.0%	68 036	69 585	69 585
74 734	-	(8 345)	66 389	66 389	-	100.0%	68 036	69 585	69 585
10 827	-	(941)	9 886	9 886	-	100.0%	-	-	-
126 137	-	40 436	166 573	166 573	-	100.0%	121 222	168 980	168 980
414	-	(122)	292	292	-	100.0%	107	70	70
579	-	(222)	357	357	-	100.0%	229	562	562
217	-	(35)	182	182	-	100.0%	329	327	327
38	-	26	64	64	-	100.0%	196	375	375
47	-	(12)	35	35	-	100.0%	2 268	2 138	2 138
2 805	-	40	2 845	2 845	-	100.0%	4 772	4 375	4 375



Sub programme: 2.1: Programme Support Infrastructure									
2015/16					2014/15				
Economic classification	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
Computer services	19	-	(16)	3	3	-	100.0%	25	13
Consultants: Business and advisory services	36 781	-	(492)	36 289	36 289	-	100.0%	63 936	69 372
Infrastructure and planning services	22 473	-	22 393	44 866	44 866	-	100.0%	6 305	16 570
Laboratory services	430	-	83	513	513	-	100.0%	37	314
Legal services	2 115	-	(1 150)	965	965	-	100.0%	2 288	2 435
Contractors	16 112	-	(3 302)	12 810	12 810	-	100.0%	-	14 972
Agency and support / outsourced services	68	-	(36)	32	32	-	100.0%	175	81
Fleet services (including government motor transport)	20 959	-	23 921	44 880	44 880	-	100.0%	12 102	26 783
Inventory: Clothing material and accessories	369	-	(156)	213	213	-	100.0%	120	260
Inventory: Food and food supplies	138	-	(46)	92	92	-	100.0%	93	87
Inventory: Fuel, oil and gas	27	-	920)	7	7	-	100.0%	182	-
Inventory: Leamer and teacher support material	1	-	(1)	-	-	-	-	1	-
Inventory: Materials and supplies	40	-	68	108	108	-	100.0%	271	271
Inventory: Medical supplies	103	-	(103)	-	-	-	-	-	-
Inventory: Medicine	11	-	(11)	-	-	-	-	10	6
Consumable supplies	402	-	(91)	311	311	-	100.0%	153	203
Consumable: Stationery, printing and office supplies	948	-	(67)	881	881	-	100.0%	740	1 010
Operating leases	1 562	-	(76)	1 486	1 486	-	100.0%	1 191	1 438
Property payments	6 373	-	(39)	6 334	6 334	-	100.0%	6 608	7 639
Transport provided: Departmental activity	514	-	176	690	690	-	100.0%	3 441	3 399
Travel and subsistence	7 706	-	271	7 977	7 977	-	100.0%	6 118	5 949
Training and development	3 812	-	(237)	3 575	3 575	-	100.0%	1 768	1 997
Operating payments	1 014	-	(290)	724	724	-	100.0%	2 182	782



Sub programme: 2.1: Programme Support Infrastructure										
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	18	-	(9)	9	9	-	100.0%	4 525	4 526	
Rental and hiring	42	-	(9)	33	33	-	100.0%	1 050	3 026	
Transfers and subsidies	1 538	-	(500)	1 038	1 038	-	100.0%	1 476	19 985	
Provinces and municipalities	27	-	54	81	81	-	100.0%	-	25	
Provinces	27	-	54	81	81	-	100.0%	-	25	
Provincial agencies and funds	27	-	54	81	81	-	100.0%	-	25	
Households	1 511	-	(554)	957	957	-	100.0%	1 476	19 960	
Social benefits	1 056	-	(106)	950	950	-	100.0%	1 476	19 960	
Other transfers to households	455	-	(448)	7	7	-	100.0%	-	-	
Payments for capital assets	1 368	-	1 488	2 856	2 856	-	100.0%	1 323	1 978	
Machinery and equipment	1 368	-	1 488	2 856	2 856	-	100.0%	1 303	1 533	
Transport equipment	-	-	2 121	2 121	2 121	-	100.0%	-	-	
Other machinery and equipment	1 368	-	(633)	735	735	-	100.0%	1 303	1 533	
Software and other intangible assets	-	-	-	-	-	-	-	20	445	
Payment for financial assets	16	-	29	45	45	-	100.0%	37	37	
Total	214 620	-	32 167	246 787	246 787	-	100.0%	192 094	260 565	

Sub programme: 2.2: Infrastructure Planning										
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	53 378	-	(29 073)	24 305	24 305	-	100.0%	49 318	37 726	



Sub programme: 2.2: Infrastructure Planning	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	R'000	R'000	
Economic classification												
Compensation of employees	12 841	-	(1 122)	11 719	11 719	-	100.0%	10 710	10 812	10 710	10 812	
Salaries and wages	10 615	-	(760)	9 855	9 855	-	100.0%	10 710	10 812	10 710	10 812	
Social contributions	2 226	-	(362)	1 864	1 864	-	100.0%	-	-	-	-	
Goods and services	40 537	-	(27 951)	12 586	12 586	-	100.0%	38 608	26 914	38 608	26 914	
Administrative fees	50	-	(17)	33	33	-	100.0%	13	17	13	17	
Advertising	-	-	-	-	-	-	-	48	22	48	22	
Catering: Departmental activities	-	-	-	-	-	-	-	19	10	19	10	
Communication (G&S)	53	-	-	53	53	-	100.0%	89	66	89	66	
Computer services	-	-	-	-	-	-	-	178	78	178	78	
Consultants: Business and advisory services	33 200	-	(25 534)	7 666	7 666	-	100.0%	32 187	12 879	32 187	12 879	
Infrastructure and planning services	29	-	(9)	20	20	-	100.0%	104	29	104	29	
Contractors	2 336	-	(2 336)	-	-	-	-	2 682	10 336	2 682	10 336	
Agency and support/ outsourced services	262	-	103	365	365	-	100.0%	-	-	-	-	
Fleet services (including government motor transport)	1 957	-	(58)	1 899	1 899	-	100.0%	1 116	1 364	1 116	1 364	
Inventory: Clothing material and accessories	-	-	1	1	1	-	100.0%	2	2	2	2	
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	40	-	40	-	
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	9	-	9	
Consumable: Stationery, printing and office supplies	18	-	1	19	19	-	100.0%	20	18	20	18	
Operating leases	594	-	164	758	758	-	100.0%	608	602	608	602	
Travel and subsistence	1 766	-	(112)	1 654	1 654	-	100.0%	1 374	1 341	1 374	1 341	
Operating payments	272	-	(158)	114	114	-	100.0%	128	141	128	141	
Venues and facilities	-	-	4	4	4	-	100.0%	-	-	-	-	



Sub programme: 2.2: Infrastructure Planning	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	170	-	(98)	72	72	-	100.0%	162	162
Households	170	-	(98)	72	72	-	100.0%	162	162
Social benefits	170	-	(100)	70	70	-	100.0%	162	162
Other transfers to households	-	-	2	2	2	-	100.0%	-	-
Payments for capital assets	26	-	26	52	52	-	100.0%	-	-
Machinery and equipment	26	-	26	52	52	-	100.0%	-	-
Other machinery and equipment	26	-	26	52	52	-	100.0%	-	-
Total	53 574	-	(29 145)	24 429	24 429	-	100.0%	49 480	37 888

Error! Not a valid link.

Sub programme: 2.4: Construction	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	-	-	-	-	-	-	-	6 923	-
Households	-	-	-	-	-	-	-	6 923	-
Other transfers to households	-	-	-	-	-	-	-	6 923	-
Payments for capital assets	3 185 943	-	833 799	4 019 742	4 032 842	(13 100)	100.3%	3 438 362	3 675 620
Buildings and other fixed structures	3 185 943	-	833 799	4 019 742	4 032 842	(13 100)	100.3%	3 438 362	3 675 620
Other fixed structures	3 185 943	-	833 799	4 019 742	4 032 842	(13 100)	100.3%	3 438 362	3 675 620
Total	3 185 943	-	833 799	4 019 742	4 032 842	(13 100)	100.3%	3 445 285	3 675 620

Sub programme: 2.5: Maintenance	2015/16		2014/15	



Economic classification	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	3 192 066	-	(690 371)	2 501 695	2 471 454	30 241	98.8%	3 002 140	2 714 677
Compensation of employees	773 181	-	(68 697)	704 484	704 484	-	100.0%	629 282	640 779
Salaries and wages	720 932	-	(67 430)	653 502	653 502	-	100.0%	629 282	640 779
Social contributions	52 249	-	(1 267)	50 982	50 982	-	100.0%	-	-
Goods and services	2 418 885	-	(621 674)	1 797 211	1 766 970	30 241	98.3%	2 372 858	2 073 898
Administrative fees	336	-	(92)	244	244	-	100.0%	531	381
Advertising	536	-	(116)	420	420	-	100.0%	3	26
Minor assets	3 632	-	(70)	3 562	3 562	-	100.0%	3 090	2 527
Audit costs: External	-	-	-	-	-	-	-	10	-
Catering: Departmental activities	36	-	(24)	12	12	-	100.0%	22	36
Communication (G&S)	7 612	-	(727)	6 885	6 885	-	100.0%	7 024	5 872
Computer services	53	-	1 533	1 586	1 586	-	100.0%	532	357
Consultants: Business and advisory services	23 445	-	1 351	24 796	24 796	-	100.0%	13 976	7 037
Infrastructure and planning services	94 552	-	(4 604)	89 948	89 948	-	100.0%	90 047	89 860
Laboratory services	-	-	-	-	-	-	-	200	121
Contractors	1 837 808	-	(371 424)	1 466 384	1 436 143	-	97.9%	1 597 045	1 341 787
Agency and support / outsourced services	8 667	-	(3 473)	5 194	5 194	-	100.0%	7 075	1
Fleet services (including government motor transport)	29 114	-	(22 338)	6 776	6 776	-	100.0%	5 500	5 687
Inventory: Clothing material and accessories	3 212	-	(169)	3 043	3 043	-	100.0%	4 500	3 731
Inventory: Farming supplies	7	-	(7)	-	-	-	-	-	-
Inventory: Food and food supplies	175	-	(52)	123	123	-	100.0%	200	141
Inventory: Fuel, oil and gas	26 779	-	13 205	39 984	39 984	-	100.0%	17 467	40 152
Inventory: Materials and supplies	78 679	-	(3 123)	75 556	75 556	-	100.0%	72 052	80 889
Inventory: Medical supplies	-	-	-	-	-	-	-	2	-
Inventory: Medicine	18	-	(11)	7	7	-	100.0%	40	21
Consumable supplies	2 669	-	(1 031)	1 638	1 638	-	100.0%	2 214	1 888
Consumable: Stationery, printing and office supplies	2 066	-	(35)	2 031	2 031	-	100.0%	1 588	1 534
Operating leases	26 623	-	(26 610)	13	13	-	100.0%	35 033	32 300
Property payments	47 471	-	3 600	51 071	51 071	-	100.0%	44 548	41 010



Sub programme: 2.5: Maintenance	2015/16										2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
Economic classification												
Transport provided: Departmental activity	125	-	(85)	40	40	-	100.0%	403	14	403	14	
Travel and subsistence	15 616	-	(736)	14 880	14 880	-	100.0%	18 814	16 974	18 814	16 974	
Training and development	3 122	-	(2 952)	170	170	-	100.0%	950	83	950	83	
Operating payments	4 871	-	(2 023)	2 848	2 848	-	100.0%	3 633	2 413	3 633	2 413	
Venues and facilities	-	-	-	-	-	-	-	21	-	21	-	
Rental and hiring	201 661	-	(201 661)	-	-	-	-	446 338	399 056	446 338	399 056	
Transfers and subsidies	7 714	-	(2 432)	5 282	5 282	-	100.0%	7 172	6 062	7 172	6 062	
Provinces and municipalities	60	-	89	149	149	-	100.0%	34	28	34	28	
Provinces	60	-	89	149	149	-	100.0%	34	28	34	28	
Provincial agencies and funds	60	-	89	149	149	-	100.0%	34	28	34	28	
Households	7 654	-	(2 521)	5 133	5 133	-	100.0%	7 138	6 034	7 138	6 034	
Social benefits	7 549	-	(2 426)	5 123	5 123	-	100.0%	7 138	6 034	7 138	6 034	
Other transfers to households	105	-	(95)	10	10	-	100.0%	-	-	-	-	
Payments for capital assets	122 000	-	38 656	160 656	160 656	-	100.0%	104 697	99 859	104 697	99 859	
Machinery and equipment	122 000	-	38 656	160 656	160 656	-	100.0%	104 677	99 840	104 677	99 840	
Transport equipment	120 000	-	38 918	158 918	158 918	-	100.0%	-	-	-	-	
Other machinery and equipment	2 000	-	(262)	1 738	1 738	-	100.0%	104 677	99 840	104 677	99 840	
Software and other intangible assets	-	-	-	-	-	-	-	20	19	20	19	
Payment for financial assets	46	-	232	278	278	-	100.0%	80	107	80	107	
Total	3 321 826	-	(653 915)	2 667 911	2 637 670	30 241	98.9%	3 114 089	2 820 705	3 114 089	2 820 705	

Programme 3: Transport Operations	2015/16										2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	



Programme 3: Transport Operations	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
Sub programme									
1. <u>Programme Support Operations</u>	24 729	-	(4 818)	19 911	19 911	-	100.0%	20 158	22 650
2. <u>Public Transport Services</u>	1 302 791	-	(97 874)	1 204 917	1 204 917	-	100.0%	1 159 912	1 131 330
3. <u>Transport Safety and Compliance</u>	69 488	-	(6 247)	63 241	63 241	-	100.0%	73 342	73 617
	1 397 008	-	(108 939)	1 288 069	1 288 069	-	100.0%	1 253 412	1 227 597
Economic classification									
Current payments	338 699	-	(43 936)	294 763	294 763	-	100.0%	256 061	240 783
Compensation of employees	44 990	-	(9 687)	35 303	35 303	-	100.0%	31 214	31 657
Salaries and wages	40 975	-	(9 294)	31 681	31 681	-	100.0%	31 214	31 657
Social contributions	4 015	-	(393)	3 622	3 622	-	100.0%	-	-
Goods and services	293 709	-	(34 249)	259 460	259 460	-	100.0%	224 847	209 126
Administrative fees	193	-	44	237	237	-	100.0%	184	238
Advertising	3 030	-	(877)	2 153	2 153	-	100.0%	4 965	7 876
Minor assets	170	-	(152)	18	18	-	100.0%	146	49
Catering: Departmental activities	2 674	-	(81)	2 593	2 593	-	100.0%	3 779	2 303
Communication (G&S)	1 428	-	(446)	982	982	-	100.0%	1 748	1 103
Consultants: Business and advisory services	24 060	-	(692)	23 368	23 368	-	100.0%	17 544	26 465
Legal services	703	-	(383)	320	320	-	100.0%	60	118
Contractors	5 656	-	(2 129)	3 527	3 527	-	100.0%	7 872	6 866
Agency and support / outsourced services	254	-	(79)	175	175	-	100.0%	289	220
Fleet services (including government motor transport)	886	-	(65)	821	821	-	100.0%	381	767
Inventory: Clothing material and accessories	37	-	(16)	21	21	-	100.0%	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	238
Inventory: Fuel, oil and gas	13	-	(13)	-	-	-	-	147	(6)
Inventory: Learner and teacher support material	1	-	(1)	-	-	-	-	37	-



	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: Materials and supplies	1	-	(1)	-	-	-	-	70	274
Consumable supplies	376	-	239	615	615	-	100.0%	322	799
Consumable: Stationery, printing and office supplies	582	-	727	1 309	1 309	-	100.0%	1 796	1 320
Operating leases	406	-	(63)	343	343	-	100.0%	448	332
Property payments	3 948	-	(1 682)	2 266	2 266	-	100.0%	633	3 621
Transport provided: Departmental activity	235 521	-	(26 110)	209 411	209 411	-	100.0%	169 285	134 062
Travel and subsistence	6 910	-	(2 076)	4 834	4 834	-	100.0%	6 756	5 644
Training and development	77	-	(75)	2	2	-	100.0%	140	64
Operating payments	714	-	(402)	312	312	-	100.0%	608	2 209
Venues and facilities	5 750	-	146	5 896	5 896	-	100.0%	7 357	14 248
Rental and hiring	319	-	(62)	257	257	-	100.0%	280	316
Transfers and subsidies	1 058 016	-	(64 834)	993 182	993 182	-	100.0%	997 075	985 366
Provinces and municipalities	15	-	(7)	8	8	-	100.0%	13	1
Provinces	15	-	(7)	8	8	-	100.0%	13	1
Provincial agencies and funds	15	-	(7)	8	8	-	100.0%	13	1
Public corporations and private enterprises	1 058 000	-	(64 943)	993 057	993 057	-	100.0%	996 829	984 952
Private enterprises	1 058 000	-	(64 943)	993 057	993 057	-	100.0%	996 829	984 952
Subsidies on products and production (pe)	1 058 000	-	(64 943)	993 057	993 057	-	100.0%	996 829	984 952
Households	1	-	116	117	117	-	100.0%	233	413
Social benefits	-	-	-	-	-	-	-	231	413
Other transfers to households	1	-	116	117	117	-	100.0%	2	-
Payments for capital assets	293	-	(169)	124	124	-	100.0%	276	1 448
Machinery and equipment	293	-	(169)	124	124	-	100.0%	276	1 448
Other machinery and equipment	293	-	(169)	124	124	-	100.0%	276	1 448
	1 397 008	-	(108 939)	1 288 069	1 288 069	-	100.0%	1 253 412	1 227 597



Sub programme: 3.1: Programme Support Operations	201/16							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
Economic classification									
Current payments	24 487	-	(4 629)	19 858	19 858	-	100.0%	19 899	22 614
Compensation of employees	9 005	-	(3 736)	5 269	5 269	-	100.0%	4 975	4 852
Salaries and wages	8 295	-	(3 675)	4 620	4 620	-	100.0%	4 975	4 852
Social contributions	710	-	(61)	649	649	-	100.0%	-	-
Goods and services	15 482	-	(893)	14 589	14 589	-	100.0%	14 924	17 762
Administrative fees	42	-	37	79	79	-	100.0%	34	51
Advertising	74	-	(4)	70	70	-	100.0%	19	11
Minor assets	31	-	(13)	18	18	-	100.0%	14	6
Catering: Departmental activities	-	-	10	10	10	-	100.0%	128	124
Communication (G&S)	176	-	(12)	164	164	-	100.0%	532	443
Consultants: Business and advisory services	8 573	-	441	9 014	9 014	-	100.0%	11 200	12 979
Legal services	640	-	(320)	320	320	-	100.0%	-	118
Contractors	27	-	2	29	29	-	100.0%	50	36
Agency and support / outsourced services	134	-	(42)	92	92	-	100.0%	180	166
Fleet services (including government motor transport)	117	-	92	209	209	-	100.0%	81	240
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	238
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	(6)
Inventory: Materials and supplies	-	-	-	-	-	-	-	22	19
Consumable supplies	16	-	-	16	16	-	100.0%	2	-
Consumable: Stationery, printing and office supplies	75	-	54	129	129	-	100.0%	126	124
Operating leases	234	-	10	244	244	-	100.0%	278	239
Property payments	3 947	-	(1 681)	2 266	2 266	-	100.0%	596	3 590
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	(2 089)
Travel and subsistence	1 106	-	565	1 671	1 671	-	100.0%	1 067	884
Training and development	1	-	(1)	-	-	-	-	-	15



Sub programme: 3.1: Programme Support Operations	2017/16						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
Operating payments	64	-	(33)	31	31	-	100.0%	70	34
Venues and facilities	-	-	-	-	-	-	-	345	345
Rental and hiring	225	-	2	227	227	-	100.0%	180	195
Transfers and subsidies	15	-	(15)	-	-	-	-	13	-
Provinces and municipalities	15	-	(15)	-	-	-	-	13	-
Provinces	15	-	(15)	-	-	-	-	13	-
Provincial agencies and funds	15	-	(15)	-	-	-	-	13	-
Payments for capital assets	227	-	(174)	53	53	-	100.0%	246	36
Machinery and equipment	227	-	(174)	53	53	-	100.0%	246	36
Other machinery and equipment	227	-	(174)	53	53	-	100.0%	246	36
Total	24 729	-	(4 818)	19 911	19 911	-	100.0%	20 158	22 650

Sub programme: 3.2: Public Transport Services	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	244 791	-	(32 931)	211 860	211 860	-	100.0%	163 083	146 378
Compensation of employees	7 096	-	(4 073)	3 023	3 023	-	100.0%	3 189	3 112
Salaries and wages	6 515	-	(3 858)	2 657	2 657	-	100.0%	3 189	3 112
Social contributions	581	-	(215)	366	366	-	100.0%	-	-
Goods and services	237 695	-	(28 858)	208 837	208 837	-	100.0%	159 894	143 266
Minor assets	2	-	(2)	-	-	-	-	2	-
Catering: Departmental activities	18	-	918)	-	-	-	-	17	-
Communication (G&S)	19	-	(19)	-	-	-	-	18	-



Sub programme: 3.2: Public Transport Services	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	
Consultants: Business and advisory services	2 311	-	(2 311)	-	-	-	-	-	-	-	8 334	
Legal services	63	-	(63)	-	-	-	-	-	60	-	-	
Agency and support / outsourced services	7	-	(7)	-	-	-	-	-	7	-	-	
Fleet services (including government motor transport)	84	-	(84)	-	-	-	-	-	80	-	32	
Inventory: Fuel, oil and gas	13	-	(13)	-	-	-	-	-	12	-	-	
Inventory: Learner and teacher support material	1	-	(1)	-	-	-	-	-	1	-	-	
Inventory: Materials and supplies	1	-	(1)	-	-	-	-	-	1	-	-	
Consumable supplies	8	-	(8)	-	-	-	-	-	8	-	-	
Consumable: Stationery, printing and office supplies	43	-	(43)	-	-	-	-	-	41	-	10	
Operating leases	32	-	(32)	-	-	-	-	-	30	-	-	
Property payments	1	-	(1)	-	-	-	-	-	17	-	1	
Transport provided: Departmental activity	233 864	-	(25 241)	208 623	208 623	-	100.0%	158 430	158 430	-	134 659	
Travel and subsistence	1 161	-	(947)	214	214	-	100.0%	1 106	1 106	-	230	
Training and development	5	-	(5)	-	-	-	-	-	5	-	-	
Operating payments	49	-	(49)	-	-	-	-	-	47	-	-	
Venues and facilities	13	-	(13)	-	-	-	-	-	12	-	-	
Transfers and subsidies	1 058 000	-	(64 943)	993 057	993 057	-	100.0%	996 829	996 829	-	984 952	
Public corporations and private enterprises	1 058 000	-	(64 943)	993 057	993 057	-	100.0%	996 829	996 829	-	984 952	
Private enterprises	1 058 000	-	(64 943)	993 057	993 057	-	100.0%	996 829	996 829	-	984 952	
Other transfers to private enterprises	1 058 000	-	(64 943)	993 057	993 057	-	100.0%	996 829	996 829	-	984 952	
Total	1 302 791	-	(97 874)	1 204 917	1 204 917	-	100.0%	1 159 912	1 159 912	-	1 131 330	

Sub programme: 3.3: Transport Safety and Compliance

2015/16

2014/15



Economic classification	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	69 421	-	(6 376)	63 045	63 045	-	100.0%	73 079	71 791
Compensation of employees	28 889	-	(1 878)	27 011	27 011	-	100.0%	23 050	23 693
Salaries and wages	26 165	-	(1 761)	24 404	24 404	-	100.0%	23 050	23 693
Social contributions	2 724	-	(117)	2 607	2 607	-	100.0%	-	-
Goods and services	40 532	-	(4 498)	36 034	36 034	-	100.0%	50 029	48 098
Administrative fees	151	-	7	158	158	-	100.0%	150	187
Advertising	2 956	-	(873)	2 083	2 083	-	100.0%	4 946	7 865
Minor assets	137	-	(137)	-	-	-	-	130	43
Catering: Departmental activities	2 656	-	(73)	2 583	2 583	-	100.0%	3 634	2 179
Communication (G&S)	1 233	-	(415)	818	818	-	100.0%	1 198	660
Consultants: Business and advisory services	13 176	-	1 178	14 354	14 354	-	100.0%	6 344	5 152
Contractors	5 629	-	(2 131)	3 498	3 498	-	100.0%	7 822	6 830
Agency and support / outsourced services	113	-	(30)	83	83	-	100.0%	102	54
Fleet services (including government motor transport)	685	-	(73)	612	612	-	100.0%	220	495
Inventory: Clothing material and accessories	37	-	(16)	21	21	-	100.0%	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	135	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	36	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	47	255
Consumable supplies	352	-	247	599	599	-	100.0%	312	799
Consumable: Stationery, printing and office supplies	464	-	716	1 180	1 180	-	100.0%	1 629	1 186
Operating leases	140	-	(41)	99	99	-	100.0%	140	93
Property payments	-	-	-	-	-	-	-	20	30
Transport provided: Departmental activity	1 657	-	(869)	788	788	-	100.0%	10 855	1 492
Travel and subsistence	4 643	-	(1 694)	2 949	2 949	-	100.0%	4 583	4 530
Training and development	71	-	(69)	2	2	-	100.0%	135	49
Operating payments	601	-	(320)	281	281	-	100.0%	491	2 175
Venues and facilities	5 737	-	159	5 896	5 896	-	100.0%	7 000	13 903
Rental and hiring	94	-	(64)	30	30	-	100.0%	100	121
Transfers and subsidies	1	-	124	125	125	-	100.0%	233	414



Sub programme: 3.3: Transport Safety and Compliance	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
Provinces and municipalities	-	-	8	8	8	-	100.0%	-	1
Provinces	-	-	8	8	8	-	100.0%	-	1
Provincial agencies and funds	-	-	8	8	8	-	100.0%	-	1
Households	1	-	116	117	117	-	100.0%	233	413
Other transfers to households	1	-	116	117	117	-	100.0%	233	413
Payments for capital assets	66	-	5	71	71	-	100.0%	30	1 412
Machinery and equipment	66	-	5	71	71	-	100.0%	30	1 412
Other machinery and equipment	66	-	5	71	71	-	100.0%	30	1 412
Total	69 488	-	(6 247)	63 241	63 241	-	100.0%	73 342	73 617

Programme 4: Transport Regulation	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
Sub programme									
1. Programme Support Regulation	5 000	-	(4 377)	623	623	-	100.0%	520	350
2. Transport Administration and Licensing	123 770	-	(5 614)	118 156	118 156	-	100.0%	110 320	103 481
3. Operator Licenses and Permits	61 669	-	(550)	61 119	61 119	-	100.0%	32 770	42 800
4. Law Enforcements	608 445	-	(50 553)	557 892	557 892	-	100.0%	526 591	555 519
	798 884	-	(61 094)	737 790	737 790	-	100.0%	670 201	702 150
Economic classification									
Current payments	759 411	-	(42 848)	716 563	716 563	-	100.0%	634 821	649 973
Compensation of employees	571 296	-	(62 793)	508 503	508 503	-	100.0%	475 171	480 151



Programme 4: Transport Regulation									
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	R'000
494 851	-	(58 560)	436 291	436 291	-	100.0%	475 171	480 151	
76 445	-	(4 233)	72 212	72 212	-	100.0%	-	-	
188 112	-	19 945	208 057	208 057	-	100.0%	159 650	169 822	
793	-	(183)	610	610	-	100.0%	284	536	
343	-	(71)	272	272	-	100.0%	163	171	
1 388	-	566	1 954	1 954	-	100.0%	2 020	1 526	
59	-	(30)	29	29	-	100.0%	65	25	
125	-	(47)	78	78	-	100.0%	128	331	
9 778	-	10	9 788	9 788	-	100.0%	9 384	9 077	
9 353	-	1 938	11 291	11 291	-	100.0%	10 305	10 396	
6 039	-	(411)	5 628	5 628	-	100.0%	8 323	12 138	
703	-	(93)	610	610	-	100.0%	-	-	
9 045	-	(1 459)	7 586	7 586	-	100.0%	2 122	4 215	
20 334	-	18 123	38 457	38 457	-	100.0%	17 493	15 185	
1 083	-	28	1 111	1 111	-	100.0%	26	91	
25 709	-	298	26 007	26 007	-	100.0%	31 556	31 417	
4 306	-	498	4 804	4 804	-	100.0%	1 093	2 033	
84	-	(11)	73	73	-	100.0%	87	61	
78	-	(20)	58	58	-	100.0%	9	31	
135	-	(60)	75	75	-	100.0%	188	132	
34	-	(8)	26	26	-	100.0%	207	150	
3	-	-	3	3	-	100.0%	1	1	
-	-	-	-	-	-	-	1	-	



Programme 4: Transport Regulation									
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	R'000
Consumable supplies	2 954	-	12 785	12 785	-	100.0%	2 352	1 950	
Consumable: Stationery, printing and office supplies	15 685	-	4 115	4 115	-	100.0%	7 749	7 861	
Operating leases	22 269	-	23 596	23 596	-	100.0%	18 991	20 128	
Property payments	29 309	-	29 468	29 468	-	100.0%	29 141	30 212	
Transport provided: Departmental activity	2 910	-	2 563	2 563	-	100.0%	-	4	
Travel and subsistence	21 443	-	17 689	17 689	-	100.0%	13 762	17 939	
Training and development	748	-	1 876	1 876	-	100.0%	945	852	
Operating payments	3 233	-	7 342	7 342	-	100.0%	3 008	2 961	
Venues and facilities	162	-	156	156	(6)	100.0%	98	282	
Rental and hiring	7	-	7	7	-	100.0%	149	117	
Interest and rent on land	3	-	3	3	-	100.0%	-	-	
Rent on land	3	-	3	3	-	100.0%	-	-	
Transfers and subsidies	3 254	-	2 116	2 116	(1 138)	100.0%	2 803	2 802	
Provinces and municipalities	750	-	480	480	(270)	100.0%	650	750	
Provinces	750	-	480	480	(270)	100.0%	650	750	
Provincial agencies and funds	750	-	480	480	(270)	100.0%	650	750	
Households	2 504	-	1 636	1 636	(868)	100.0%	2 153	2 052	
Social benefits	2 262	-	1 636	1 636	(626)	100.0%	2 153	2 052	
Other transfers to households	242	-	-	-	(242)	-	-	-	
Payments for capital assets	36 143	-	18 823	18 823	(17 320)	100.0%	32 512	49 196	
Machinery and equipment	36 143	-	18 823	18 823	(17 320)	100.0%	32 512	49 196	
Transport equipment	34 000	-	17 266	17 266	(16 734)	100.0%	31 660	48 748	
Other machinery and equipment	2 143	-	1 557	1 557	(586)	100.0%	852	448	
Payment for financial assets	76	-	288	288	212	100.0%	65	179	



Programme 4: Transport Regulation									
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	R'000
798 884	-	(61 094)	737 790	737 790	-	100.0%	670 201	702 150	

Sub programme: 4.1: Programme Support Regulation									
2015/16					2014/15				
Economic classification	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	4 670	-	(4 061)	609	609	-	100.0%	486	350
Compensation of employees	2 229	-	(1 992)	237	237	-	100.0%	289	237
Salaries and wages	1 719	-	(1 482)	237	237	-	100.0%	289	237
Social contributions	510	-	(510)	-	-	-	-	-	-
Goods and services	2 441	-	(2 069)	372	372	-	100.0%	197	113
Administrative fees	50	-	(50)	-	-	-	-	-	-
Communication (G&S)	50	-	(39)	11	11	-	100.0%	-	-
Legal services	433	-	(139)	294	294	-	100.0%	-	-
Agency and support / outsourced services	2	-	1	3	3	-	100.0%	26	89
Consumable: Stationery, printing and office supplies	32	-	(23)	9	9	-	100.0%	4	4
Operating leases	675	-	(675)	-	-	-	-	20	17
Property payments	100	-	(100)	-	-	-	-	-	-
Travel and subsistence	1 064	-	(1 044)	20	20	-	100.0%	147	3
Operating payments	35	-	-	35	35	-	100.0%	-	-
Transfers and subsidies	50	-	(50)	-	-	-	-	20	-



Sub programme: 4.1: Programme Support Regulation	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
Economic classification									
Provinces and municipalities	50	-	(50)	-	-	-	-	20	-
Provinces	50	-	(50)	-	-	-	-	20	-
Provincial agencies and funds	50	-	(50)	-	-	-	-	20	-
Payments for capital assets	280	-	(266)	14	14	-	100.0%	14	-
Machinery and equipment	280	-	(266)	14	14	-	100.0%	14	-
Other machinery and equipment	280	-	(266)	14	14	-	100.0%	14	-
Total	5 000	-	(4 377)	623	623	-	100.0%	520	350

Sub programme: 4.2: Transport Administration and Licensing	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
Economic classification									
Current payments	122 507	-	(4 796)	117 111	117 111	-	100.0%	109 313	102 573
Compensation of employees	91 961	-	(8 277)	83 684	83 684	-	100.0%	78 630	76 245
Salaries and wages	74 678	-	(6 366)	68 312	68 312	-	100.0%	78 630	76 245
Social contributions	17 283	-	(1 911)	15 372	15 372	-	100.0%	-	-
Goods and services	30 546	-	3 481	34 027	34 027	-	100.0%	30 683	26 328
Administrative fees	122	-	(3)	119	119	-	100.0%	66	82
Advertising	92	-	45	137	137	-	100.0%	133	120
Minor assets	89	-	99	188	188	-	100.0%	83	61
Catering: Departmental activities	26	-	(12)	14	14	-	100.0%	-	1
Communication (G&S)	1 441	-	47	1 488	1 488	-	100.0%	1 128	1 161
Computer services	2 830	-	2 003	4 833	4 833	-	100.0%	3 800	3 899



Sub programme: 4.2: Transport Administration and Licensing	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
Consultants: Business and advisory services	-	-	-	-	-	-	-	-	94
Infrastructure and planning services	703	-	(93)	610	610	-	100.0%	-	-
Legal services	79	-	-	79	79	-	100.0%	-	160
Contractors	7 246	-	2 330	9 576	9 576	-	100.0%	492	657
Fleet services (including government motor transport)	1 576	-	(116)	1 460	1 460	-	100.0%	9 882	4 729
Inventory: Clothing material and accessories	32	-	(12)	20	20	-	100.0%	5	5
Inventory: Food and food supplies	4	-	-	4	4	-	100.0%	-	-
Inventory: Learner and teacher support material	135	-	(60)	75	75	-	100.0%	188	132
Inventory: Materials and supplies	9	-	-	9	9	-	100.0%	-	-
Inventory: Medicine	3	-	-	3	3	-	100.0%	-	-
Consumable supplies	1 720	-	(683)	1 037	1 037	-	100.0%	1 639	1 480
Consumable: Stationery, printing and office supplies	2 724	-	9	2 733	2 733	-	100.0%	1 987	2 444
Operating leases	913	-	(7)	906	906	-	100.0%	1 001	1 006
Property payments	7 535	-	20	7 555	7 555	-	100.0%	7 313	7 283
Travel and subsistence	2 732	-	(111)	2 621	2 621	-	100.0%	2 356	2 394
Operating payments	528	-	25	553	553	-	100.0%	604	595
Rental and hiring	7	-	-	7	7	-	100.0%	6	25
Transfers and subsidies	663	-	(529)	134	134	-	100.0%	417	512
Provinces and municipalities	300	-	(280)	20	20	-	100.0%	230	237
Provinces	300	-	(280)	20	20	-	100.0%	230	237
Provincial agencies and funds	300	-	(280)	20	20	-	100.0%	230	237
Households	363	-	(249)	114	114	-	100.0%	187	275
Social benefits	363	-	(249)	114	114	-	100.0%	187	275



Sub programme: 4.2: Transport Administration and Licensing									
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
Economic classification									
Payments for capital assets	600	-	(291)	309	309	-	100.0%	590	396
Machinery and equipment	600	-	(291)	309	309	-	100.0%	590	396
Other machinery and equipment	600	-	(291)	309	309	-	100.0%	590	396
Payment for financial assets	-	-	2	2	2	-	100.0%	-	-
Total	123 770	-	(5 614)	118 156	118 156	-	100.0%	110 320	103 481

Sub programme: 4.3: Operator Licenses and Permits									
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
Economic classification									
Current payments	61 330	-	(340)	60 990	60 990	-	100.0%	32 522	42 748
Compensation of employees	27 401	-	(2 595)	24 806	24 806	-	100.0%	19 254	20 802
Salaries and wages	24 712	-	(1 881)	22 831	22 831	-	100.0%	19 254	20 802
Social contributions	2 689	-	(714)	1 975	1 975	-	100.0%	-	-
Goods and services	33 929	-	2 255	36 184	36 184	-	100.0%	13 268	21 946
Administrative fees	115	-	(7)	108	108	-	100.0%	48	180
Advertising	159	-	(64)	95	95	-	100.0%	-	16
Minor assets	4	-	2	6	6	-	100.0%	8	9
Catering: Departmental activities	13	-	-	13	13	-	100.0%	97	307
Communication (G&S)	668	-	(52)	616	616	-	100.0%	482	435
Computer services	-	-	-	-	-	-	-	5	1



Sub programme: 4.3: Operator Licenses and Permits	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
Economic classification									
Consultants: Business and advisory services	6 039	-	(411)	5 628	5 628	-	100.0%	3 704	9 788
Legal services	6 712	-	(917)	5 795	5 795	-	100.0%	1 415	3 285
Contractors	281	-	(160)	121	121	-	100.0%	-	3
Agency and support / outsourced services	1 081	-	27	1 108	1 108	-	100.0%	-	2
Fleet services (including government motor transport)	416	-	106	522	522	-	100.0%	507	897
Inventory: Materials and supplies	22	-	(10)	12	12	-	100.0%	2	37
Inventory: Medicine	-	-	-	-	-	-	-	1	1
Inventory: Other supplies	-	-	-	-	-	-	-	1	-
Consumable supplies	-	-	7 967	7 967	7 967	-	100.0%	246	-
Consumable: Stationery, printing and office supplies	9 400	-	(9 400)	-	-	-	-	2 040	1 854
Operating leases	151	-	3	154	154	-	100.0%	-	(121)
Property payments	1 692	-	27	1 719	1 719	-	100.0%	1 792	1 928
Transport provided: Departmental activity	2 910	-	(347)	2 563	2 563	-	100.0%	-	-
Travel and subsistence	4 028	-	(575)	3 453	3 453	-	100.0%	2 827	3 051
Training and development	-	-	1 339	1 339	1 339	-	100.0%	3	-
Operating payments	136	-	4 733	4 869	4 869	-	100.0%	1	-
Venues and facilities	102	-	(6)	96	96	-	100.0%	89	273
Transfers and subsidies	76	-	1	77	77	-	100.0%	-	-
Provinces and municipalities	-	-	1	1	1	-	100.0%	-	-
Provinces	-	-	1	1	1	-	100.0%	-	-
Provincial agencies and funds	-	-	1	1	1	-	100.0%	-	-
Households	76	-	-	76	76	-	100.0%	-	-
Social benefits	76	-	-	76	76	-	100.0%	-	-
Payments for capital assets	263	-	(211)	52	52	-	100.0%	248	52
Machinery and equipment	263	-	(211)	52	52	-	100.0%	248	52
Other machinery and equipment	263	-	(211)	52	52	-	100.0%	248	52



Sub programme: 4.3: Operator Licenses and Permits	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
Total	61 669	-	(550)	61 119	61 119	-	100.0%	32 770	42 800

Sub programme: 4.4: Law Enforcements	2015/16										2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	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		
Current payments	570 904	-	(33 651)	537 253	537 253	-	100.0%	492 500	504 302	492 500	504 302		
Compensation of employees	449 705	-	(49 929)	399 776	399 776	-	100.0%	376 998	382 867	376 998	382 867		
Salaries and wages	393 742	-	(48 831)	344 911	344 911	-	100.0%	376 998	382 867	376 998	382 867		
Social contributions	55 963	-	(1 098)	54 865	54 865	-	100.0%	-	-	-	-		
Goods and services	121 196	-	16 278	137 474	137 474	-	100.0%	115 502	121 435	115 502	121 435		
Administrative fees	506	-	(123)	383	383	-	100.0%	170	274	170	274		
Advertising	92	-	(52)	40	40	-	100.0%	30	35	30	35		
Minor assets	1 295	-	465	1 760	1 760	-	100.0%	1 929	1 456	1 929	1 456		
Audit costs: External	59	-	(30)	29	29	-	100.0%	65	25	65	25		
Catering: Departmental activities	86	-	(35)	51	51	-	100.0%	31	23	31	23		
Communication (G&S)	7 619	-	54	7 673	7 673	-	100.0%	7 774	7 481	7 774	7 481		
Computer services	6 523	-	(65)	6 458	6 458	-	100.0%	6 500	6 496	6 500	6 496		
Consultants: Business and advisory services	-	-	-	-	-	-	-	4 619	2 256	4 619	2 256		
Legal services	1 821	-	(403)	1 418	1 418	-	100.0%	707	770	707	770		
Contractors	12 807	-	15 953	28 760	28 760	-	100.0%	17 001	14 525	17 001	14 525		
Fleet services (including government motor transport)	23 717	-	308	24 025	24 025	-	100.0%	21 167	25 791	21 167	25 791		



Sub programme: 4.4: Law Enforcements	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	R'000	R'000	
Economic classification												
Inventory: Clothing material and accessories	4 274	-	510	4 784	4 784	-	100.0%	1 088	2 028			
Inventory: Food and food supplies	80	-	(11)	69	69	-	100.0%	87	61			
Inventory: Fuel, oil and gas	78	-	(20)	58	58	-	100.0%	9	31			
Inventory: Materials and supplies	3	-	2	5	5	-	100.0%	205	113			
Consumable supplies	1 234	-	2 547	3 781	3 781	-	100.0%	467	470			
Consumable: Stationery, printing and office supplies	3 529	-	(2 156)	1 373	1 373	-	100.0%	3 718	3 559			
Operating leases	20 530	-	2 006	22 536	22 536	-	100.0%	17 970	19 226			
Property payments	19 982	-	212	20 194	20 194	-	100.0%	20 036	21 001			
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	4			
Travel and subsistence	13 619	-	(2 024)	11 595	11 595	-	100.0%	8 432	12 491			
Training and development	748	-	(211)	537	537	-	100.0%	942	852			
Operating payments	2 534	-	(649)	1 885	1 885	-	100.0%	2 403	2 366			
Venues and facilities	60	-	-	60	60	-	100.0%	9	9			
Rental and hiring	-	-	-	-	-	-	-	143	92			
Interest and rent on land	3	-	-	3	3	-	100.0%	-	-			
Rent on land	3	-	-	3	3	-	100.0%	-	-			
Transfers and subsidies	2 465	-	(560)	1 905	1 905	-	100.0%	2 366	2 290			
Provinces and municipalities	400	-	59	459	459	-	100.0%	400	513			
Provinces	400	-	59	459	459	-	100.0%	400	513			
Provincial agencies and funds	400	-	59	459	459	-	100.0%	400	513			
Households	2 065	-	(619)	1 446	1 446	-	100.0%	1 966	1 777			
Social benefits	1 823	-	(377)	1 446	1 446	-	100.0%	1 966	1 777			
Other transfers to households	242	-	(242)	-	-	-	-	-	-			



Sub programme: 4.4: Law Enforcements	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
Economic classification									
Payments for capital assets	35 000	-	(16 552)	18 448	18 448	-	100.0%	31 660	48 748
Machinery and equipment	35 000	-	(16 552)	18 448	18 448	-	100.0%	31 660	48 748
Transport equipment	34 000	-	(16 734)	17 266	17 266	-	100.0%	31 660	48 748
Other machinery and equipment	1 000	-	182	1 182	1 182	-	100.0%	-	-
Payment for financial assets	76	-	210	286	286	-	100.0%	65	179
Total	608 445	-	(50 553)	557 892	557 892	-	100.0%	526 591	555 519

Programme 5: Community Based 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
Sub programme									
1. <u>Programme Support Community Based</u>	6 676	-	(1)	6 675	6 675	-	100.0%	6 040	6 383
2. <u>Community Development</u>	9 690	-	(2 724)	6 966	3 702	3 264	53.1%	11 650	10 080
3. <u>Innovation and Empowerment</u>	18 744	-	(3 000)	15 744	8 681	7 063	55.1%	17 940	11 688
4. <u>EPWP Coordination and Monitoring</u>	8 929	-	2 202	11 131	10 531	600	94.6%	9 910	13 560
	44 039	-	(3 523)	40 516	29 589	10 927	73.0%	45 540	41 711
Economic classification									
Current payments	38 549	-	(3 110)	35 439	29 512	5 927	83.3%	39 150	40 777
Compensation of employees	21 682	-	(196)	21 486	15 559	5 927	72.4%	12 715	13 089



Programme 5: Community Based 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
Salaries and wages	20 074	-	25	20 099	14 172	5 927	70.5%	12 715	13 089
Social contributions	1 608	-	(221)	1 387	1 387	-	100.0%	-	-
Goods and services	16 867	-	(2 914)	13 953	13 953	-	100.0%	26 435	27 688
Administrative fees	108	-	(56)	52	52	-	100.0%	50	40
Advertising	89	-	(24)	65	65	-	100.0%	1	53
Minor assets	-	-	-	-	-	-	-	3	3
Catering: Departmental activities	500	-	(500)	-	-	-	-	725	646
Communication (G&S)	224	-	(53)	171	171	-	100.0%	544	485
Consultants: Business and advisory services	11 986	-	(2 082)	9 904	9 904	-	100.0%	11 898	14 423
Infrastructure and planning services	-	-	-	-	-	-	-	400	-
Contractors	386	-	334	720	720	-	100.0%	4 924	5 456
Fleet services (including government motor transport)	123	-	(42)	81	81	-	100.0%	64	86
Inventory: Fuel, oil and gas	23	-	(22)	1	1	-	100.0%	43	21
Inventory: Materials and supplies	45	-	769	814	814	-	100.0%	180	1 042
Inventory: Medical supplies	-	-	-	-	-	-	-	1	-
Consumable: Stationery, printing and office supplies	59	-	(34)	25	25	-	100.0%	21	41
Operating leases	164	-	(57)	107	107	-	100.0%	129	132
Transport provided: Departmental activity	1 088	-	(1 087)	1	1	-	100.0%	5 694	3 172
Travel and subsistence	1 897	-	41	1 938	1 938	-	100.0%	1 652	2 027
Training and development	18	-	(9)	9	9	-	100.0%	45	10
Operating payments	157	-	(92)	65	65	-	100.0%	61	51
Transfers and subsidies	5 082	-	(5)	5 077	77	5 000	1.5%	6 005	900
Provinces and municipalities	5	-	(5)	-	-	-	-	5	-
Provinces	5	-	(5)	-	-	-	-	5	-
Provincial agencies and funds	5	-	(5)	-	-	-	-	5	-
Public corporations and private enterprises	5 000	-	-	5 000	-	5 000	-	6 000	900



Programme 5: Community Based 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
Private enterprises	5 000	-	-	5 000	-	5 000	-	6 000	900
Other transfers to private enterprises	5 000	-	-	5 000	-	5 000	-	6 000	900
Households	77	-	-	77	77	-	100.0%	-	-
Social benefits	77	-	-	77	77	-	100.0%	-	-
Payments for capital assets	408	-	(408)	-	-	-	-	385	34
Machinery and equipment	408	-	(408)	-	-	-	-	385	34
Other machinery and equipment	408	-	(408)	-	-	-	-	385	34
	44 039	-	(3 523)	40 516	29 589	10 927	73.0%	45 540	41 711

Sub programme: 5.1: Programme Support Community Based	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
Economic classification									
Current payments	6 263	-	412	6 675	6 675	-	100.0%	5 650	6 365
Compensation of employees	3 995	-	354	4 349	4 349	-	100.0%	3 490	3 967
Salaries and wages	3 849	-	337	4 186	4 186	-	100.0%	3 490	3 967
Social contributions	146	-	17	163	163	-	100.0%	-	-
Goods and services	2 268	-	58	2 326	2 326	-	100.0%	2 160	2 398
Administrative fees	67	-	(19)	48	48	-	100.0%	11	35
Advertising	4	-	(4)	-	-	-	-	-	-
Communication (G&S)	37	-	(10)	27	27	-	100.0%	27	19
Consultants: Business and advisory services	909	-	(19)	890	890	-	100.0%	1 061	949
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	7
Operating leases	76	-	(2)	74	74	-	100.0%	95	96
Travel and subsistence	1 175	-	112	1 287	1 287	-	100.0%	966	1 292
Transfers and subsidies	5	-	(5)	-	-	-	-	5	-



Sub programme: 5.1: Programme Support Community Based									
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
Economic classification									
Provinces and municipalities	5	-	(5)	-	-	-	-	5	-
Provinces	5	-	(5)	-	-	-	-	5	-
Provincial agencies and funds	5	-	(5)	-	-	-	-	5	-
Payments for capital assets	408	-	(408)	-	-	-	-	385	18
Machinery and equipment	408	-	(408)	-	-	-	-	385	18
Other machinery and equipment	408	-	(408)	-	-	-	-	385	18
Total	6 676	-	(1)	6 675	6 675	-	100.0%	6 040	6 383

Sub programme: 5.2: Community Development									
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
Economic classification									
Current payments	9 659	-	(2 724)	6 935	3 671	3 264	52.9%	11 650	10 064
Compensation of employees	6 032	-	-	6 032	2 768	3 264	45.9%	3 054	2 793
Salaries and wages	5 618	-	79	5 697	2 433	3 264	42.7%	3 054	2 793
Social contributions	414	-	(79)	335	335	-	100.0%	-	-
Goods and services	3 627	-	(2 724)	903	903	-	100.0%	8 596	7 271
Advertising	15	-	(10)	5	5	-	100.0%	1	6
Minor assets	-	-	-	-	-	-	-	3	3
Catering: Departmental activities	500	-	(500)	-	-	-	-	725	646
Communication (G&S)	38	-	(9)	29	29	-	100.0%	411	397
Consultants: Business and advisory services	1 447	-	(969)	478	478	-	100.0%	1 378	2 626
Fleet services (including government motor transport)	123	-	(43)	80	80	-	100.0%	64	86
Consumable: Stationery, printing and office supplies	-	-	1	1	1	-	100.0%	-	7



Sub programme: 5.2: Community Development	2015/16										2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Expenditure			
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	R'000	
Economic classification													
Operating leases	48	-	(48)	-	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	1 088	-	(1 088)	-	-	-	-	-	-	-	-	5 694	3 172
Travel and subsistence	326	-	(31)	295	295	-	100.0%	287	295	-	328	287	328
Training and development	-	-	-	-	-	-	-	33	-	-	-	33	-
Operating payments	42	-	(27)	15	15	-	100.0%	-	-	-	-	-	-
Transfers and subsidies	31	-	-	31	31	-	100.0%	-	31	-	-	-	-
Households	31	-	-	31	31	-	100.0%	-	31	-	-	-	-
Social benefits	31	-	-	31	31	-	100.0%	-	31	-	-	-	-
Payments of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	16
Machinery and equipment	-	-	-	-	-	-	-	-	-	-	-	-	16
Other machinery and equipment	-	-	-	-	-	-	-	-	-	-	-	-	16
Total	9 690	-	(2 724)	6 966	3 702	3 264	53.1%	11 650	3 702	3 264	53.1%	11 650	10 080

Sub programme: 5.3: Innovation and Empowerment	2015/16										2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Expenditure			
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	R'000	
Economic classification													
Current payments	13 698	-	(3 000)	10 698	8 635	2 063	80.7%	11 940	8 635	2 063	80.7%	11 940	10 788
Compensation of employees	6 840	-	(354)	6 486	4 423	2 063	68.2%	4 145	4 423	2 063	68.2%	4 145	4 140
Salaries and wages	6 088	-	(267)	5 821	3 758	2 063	64.6%	4 145	3 758	2 063	64.6%	4 145	4 140
Social contributions	752	-	(87)	665	665	-	100.0%	-	665	-	100.0%	-	-
Goods and services	6 858	-	(2 646)	4 212	4 212	-	100.0%	7 795	4 212	-	100.0%	7 795	6 648
Administrative fees	34	-	(34)	-	-	-	-	32	-	-	-	32	-
Advertising	70	-	(10)	60	60	-	100.0%	-	60	-	100.0%	-	47



Sub programme: 5.3: Innovation and Empowerment	2015/16										2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000		
Economic classification													
Communication (G&S)	86	-	(29)	57	57	-	100.0%	68	39	68	39		
Consultants: Business and advisory services	6 198	-	(2 437)	3 761	3 761	-	100.0%	6 950	6 208	6 950	6 208		
Infrastructure and planning services	-	-	-	-	-	-	-	400	-	400	-		
Consumable: Stationery, printing and office supplies	51	-	(30)	21	21	-	100.0%	17	18	17	18		
Operating leases	8	-	(6)	2	2	-	100.0%	-	-	-	-		
Transport provided: Departmental activity	-	-	1	1	1	-	100.0%	-	-	-	-		
Travel and subsistence	278	-	(27)	251	251	-	100.0%	255	275	255	275		
Training and development	18	-	(9)	9	9	-	100.0%	12	10	12	10		
Operating payments	115	-	(65)	50	50	-	100.0%	61	51	61	51		
Transfers and subsidies	5 046	-	-	5 046	46	5 000	0.9%	6 000	900	6 000	900		
Public corporations and private enterprises	5 000	-	-	5 000	-	-	-	6 000	900	6 000	900		
Private enterprises	5 000	-	-	5 000	-	-	-	6 000	900	6 000	900		
Other transfers to private enterprises	5 000	-	-	5 000	-	-	-	6 000	900	6 000	900		
Households	46	-	-	46	46	-	100.0%	-	-	-	-		
Social benefits	46	-	-	46	46	-	100.0%	-	-	-	-		
Total	18 744	-	(3 000)	15 744	8 681	7 063	55.1%	17 940	11 688	17 940	11 688		

Sub programme: 5.4: EPWP Coordination and Monitoring	2015/16										2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000		
Economic classification													
Current payments	8 929	-	2 202	11 131	10 531	600	94.6%	9 910	13 560	9 910	13 560		
Compensation of employees	4 815	-	(196)	4 619	4 019	600	87.0%	2 026	2 189	2 026	2 189		
Salaries and wages	4 519	-	(124)	4 395	3 795	600	86.3%	2 026	2 189	2 026	2 189		
Social contributions	296	-	(72)	224	224	-	100.0%	-	-	-	-		



Sub programme: 5.4: EPWP Coordination and Monitoring	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	R'000	R'000	
Economic classification												
Goods and services	4 114	-	2 398	6 512	6 512	-	100.0%	7 884	11 371			
Administrative fees	7	-	(3)	4	4	-	100.0%	7	5			
Communication (G&S)	63	-	(5)	58	58	-	100.0%	38	30			
Consultants: Business and advisory services	3 432	-	1 343	4 775	4 775	-	100.0%	2 509	4 640			
Contractors	386	-	334	720	720	-	100.0%	4 924	5 456			
Fleet services (including government motor transport)	-	-	1	1	1	-	100.0%	-	-			
Inventory: Fuel, oil and gas	23	-	(22)	1	1	-	100.0%	43	21			
Inventory: Materials and supplies	45	-	769	814	814	-	100.0%	180	1 042			
Inventory: Medical supplies	-	-	-	-	-	-	-	1	-			
Consumable: Stationery, printing and office supplies	8	-	(5)	3	3	-	100.0%	4	9			
Operating leases	32	-	(1)	31	31	-	100.0%	34	36			
Travel and subsistence	118	-	(13)	105	105	-	100.0%	144	132			
Total	8 929	-	2 202	11 131	10 531	600	94.6%	9 910	13 560			



- 1. Detail of transfers and subsidies as per Appropriation Act (after Virement):**
Detail of these transactions can be viewed in note 8 (Transfers and Subsidies) and Annexure 1 (A - D) 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 7 (Payments for financial assets) to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per Programme

Programme	Final Appropriation		Actual Expenditure		Variance		Variance as a % of Final Appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	%	%
Administration	306 021		306 021		-		100.00%	
Transport Infrastructure	6 994 164		6 977 023		17 141		99.75%	
Transport Operations	1 288 069		1 288 069		-		100.00%	
Transport Regulations	737 790		737 790		-		100.00%	
Community Based Programme	40 516		29 589		10 927		73.03%	

See below explanations.

Transport Infrastructure 6 994 164 6 977 023 17 141 99.75%

The under expenditure against this programme is due to the withholding of R30.241 million the flood damage funding by National Department of Transport. This was due to the fact that all approved disaster projects have been completed. However, the department has incurred R12.750 million unauthorized expenditure under this programme.

Community Based Programme 40 516 29 589 10 927 73.03%

The under expenditure against this programme is due to the slower than anticipated filling of vacant posts as a result of the difficulty in finding suitable candidates, lengthy recruitment



processes, resignations, as well as the moratorium on the filling of non-critical vacant posts. The other is in respect of funds not transferred to the Vukuzakhe Emerging Contractors Association (VECA). The transfer to VECA is based on the association meeting reporting requirements as per the MOU entered into between the association and the department.

4.2 Per Economic Classification

	Final Appropriation		Actual Expenditure		Variance		Variance as a % of Final Appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	%	%
Current expenditure:								
Compensation of employees	1 498 656		1 492 729		5 927		99.60%	
Goods and services	2 608 527		2 578 286		30 241		98.84%	
Interest and rent on land	3		3		-		100.00%	
Transfers and subsidies:								
Provinces and municipalities	4 537		4 537		-		100.00%	
Departmental agencies and accounts	1 608		1 608		-		100.00%	
Public corporations and private enterprises	998 057		993 057		5 000		99.50%	
Households	17 613		17 613		-		100.00%	
Payments for capital assets:								
Buildings and other fixed structures	4 019 742		4 032 842		(13 100)		100.33%	
Machinery and equipment	200 177		200 177		-		100.00%	
Software and other intangible assets	12 445		12 445		-		100.00%	
Payments for financial assets:								
	5 195		5 195		-		100.00%	

4.3 Per Conditional Grant

	Final Appropriation		Actual Expenditure		Variance		Variance as a % of Final Appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	%	%
Public Works								
EPWP Inter GRNT PROV	55 602		55 602		-		100.00%	
Transport								
Provincial Roads Maintenance Grant	1 503 564		1 749 014		30 241		116.32%	
Public Transport Operations Grant	924 766		924 766		-		100.00%	

The under expenditure against this programme is due to the withholding of R30.241 million the flood damage funding by National Department of Transport. This was due to the fact that all approved disaster projects have been completed.



**KWAZULU-NATAL : DEPARTMENT OF TRANSPORT
VOTE 12**

**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	9 366 560	9 050 885
Departmental revenue	2	1 664 980	1 656 407
Aid assistance	3	-	40 000
TOTAL REVENUE		11 031 540	10 747 292
EXPENDITURE			
Current expenditure			
Compensation of employees	4	1 492 729	1 369 860
Goods and services	5	2 576 856	2 807 854
Interest and rent on land	6	3	5
Aid assistance	3	14 602	14 983
Total current expenditure		4 084 190	4 192 702
Transfers and subsidies			
Transfers and subsidies	8	1 016 815	1 028 292
Total transfers and subsidies		1 016 815	1 028 292
Expenditure for capital assets			
Tangible capital assets	9	4 234 445	3 842 056
Software and other intangible assets	9	12 445	3 502
Total expenditure for capital assets		4 246 890	3 845 558
Unauthorised expenditure approved without funding	10	4 557	-
Payment for financial assets	7	642	380
TOTAL EXPENDITURE		9 353 094	9 066 932
SURPLUS FOR THE YEAR		1 678 446	1 680 360
Reconciliation of Surplus for the year			
Voted Funds		28 068	(1 064)
Annual appropriation		(2 173)	(1 064)
Conditional grants		30 241	-
Departmental Revenue and NRF Receipts	15	1 664 980	1 656 407
Aid assistance	3	(14 602)	25 017
SURPLUS FOR THE YEAR		1 678 446	1 680 360



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**STATEMENT OF FINANCIAL POSITION
at 31 March 2016**

	<i>Note</i>	2015/16 R'000	2014/15 R'000
ASSETS			
Current Assets		43 854	88 838
Unauthorised expenditure	10	18 710	10 166
Cash and cash equivalents	11	28	1 619
Prepayments and advances	12	816	846
Receivables	13	24 300	76 207
Non-Current Assets		18 856	-
Receivables	13	18 856	-
TOTAL ASSETS		62 710	88 838
LIABILITIES			
Current liabilities		59 589	85 784
Voted funds to be surrendered to the Revenue Fund	14	(234 513)	-
Departmental revenue to be surrendered to the Revenue Fund	15	141 091	26 575
Bank overdraft	16	109 222	-
Payables	17	14 838	15 656
Aid assistance unutilised	3	28 951	43 553
TOTAL LIABILITIES		59 589	85 784
NET ASSETS		3 121	3 054
Represented by:			
Recoverable revenue		3 121	3 054
TOTAL		3 121	3 054



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2016

Recoverable revenue		
Opening balance	3054	2881
Transfers:	67	73
Irrecoverable amounts written off	(356)	(380)
Debt recovered (included in departmental receipts)	(1 310)	(1 298)
Debt raised	1 733	1 751
Closing balance	3 121	3 054
TOTAL	3 121	3 054



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**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		10 749 612	10 742 880
Annual appropriated funds received	1.1	9 090 878	9 050 885
Departmental revenue received	2	1 658 686	1 651 960
Interest received	2.3	48	35
Aid assistance received	3	-	40 000
Net (increase)/decrease in working capital		23 719	19 707
Surrendered to Revenue Fund		(1 550 464)	(1 783 493)
Current payments		(4 071 086)	(4 191 633)
Interest paid	6	(3)	(5)
Payment for financial assets		(642)	(380)
Transfers and subsidies paid		(1 016 815)	(1 028 292)
Net cash flow available from operating activities	18	4 134 321	3 758 784
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(4 251 447)	(3 845 558)
Proceeds from sale of capital assets	2.4	6 221	4 389
Net cash flows from investing activities		(4 245 226)	(3 841 169)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		25	23
(Decrease)/ Increase in net assets		67	73
Net cash flows from financing activities		92	96
Net decrease in cash and cash equivalents		(110 813)	(82 289)
Cash and cash equivalents at the beginning of the year		1 619	83 908
Cash and cash equivalents at end of year	19	(109 194)	1 619



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**ACCOUNTING POLICIES
for the year ended 31 March 2016**

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, 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, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2012.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting.

Under this basis, the effects of transactions and other events are recognised in the financial records when the resulting cash is received or paid. The “modification” results from the recognition of certain near-cash balances in the financial statements as well as the revaluation of foreign investments and loans and the recognition of resulting revaluation gains and losses.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

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.

1.5 Comparative figures - Appropriation Statement

A comparison between the approved, final budget actual amounts for each programme and economic classification is included in the appropriation statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation)



*KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12*

**ACCOUNTING POLICIES
for the year ended 31 March 2016**

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective.

Adjustments made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

The total appropriated funds received during the year are presented in the Statement of Financial Performance.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Any amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

2.2 Departmental revenue

All departmental revenue is recognised in the Statement of Financial Performance when received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised as a payable in the Statement of Financial Position.

No accrual is made for the amount receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure note to the annual financial statements.

2.3 Direct Exchequer receipts/payments

All direct exchequer receipts are recognised in the Statement of Financial Performance when the cash is received and subsequently paid into the Provincial Revenue Fund, unless otherwise stated.

All direct exchequer payments are recognised in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

Any amount owing to the Provincial Revenue Funds at the end of the financial year is recognised as a payable in the Statement of Financial Position.

2.4 Aid assistance

Aids assistance is recognised as revenue when received.

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements.

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the Statement of Financial Performance when final



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**ACCOUNTING POLICIES
for the year ended 31 March 2016**

authorisation for payments is effected on the system (by no later than 31 March of each year)

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the Statement of Financial Position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the Statement of Financial Position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the Statement of Financial Performance when final authorisation for payments effected on the system (by no later than 31 March of each year)

Inappropriately expensed amounts using CARA funds are recognised as payables in the Statement of Financial Position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

The cost of short-term employee benefits are expensed in the Statement of Financial Performance when authorization for payment is effected on the system (by no later than 31 March each year)

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts must not be recognised in the Statement of Financial Performance or Position.

Employee cost are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time in the project. These payments form part of expenditure for capital assets in the Statement of Financial Performance.

3.1.2 Post-retirement benefits

Employer contribution (i.e. social contributions) are expensed in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Funds and not in the financial statements of the employer department.



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**ACCOUNTING POLICIES
for the year ended 31 March 2016**

Social contribution (such as medical benefits) made by the department for certain of its ex-employees are classified as transfers to households in the Statement of Financial Performance.

3.1.3 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.1.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements.

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5, 000). All other expenditures are classified as current.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts.



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**ACCOUNTING POLICIES
for the year ended 31 March 2016**

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.6 Unauthorised expenditure

When confirmed unauthorised expenditure is recognised as an asset in the Statement of Financial Position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

Unauthorised expenditure approved with funding is derecognised from the Statement of Financial Position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the Statement of Financial Performance on the date of approval.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the Statement of Financial Performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

3.8 Irregular expenditure

Irregular expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost.

Bank overdrafts are shown separately on the face of the Statement of Financial Position.

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.

4.2 Other financial assets



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**ACCOUNTING POLICIES
for the year ended 31 March 2016**

Other financial assets are carried in the Statement of Financial Position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made and where the goods and services have not been received by year end.

Prepayments and advances outstanding at the end of the year are carried in the Statement of Financial Position at cost.

4.4 Receivables

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party or from the sale of goods/rendering of services.

Receivables outstanding at year-end are carried in the Statement of Financial Position at cost plus any accrued interest. Amounts that are potentials irrecoverable are included in the disclosure notes.

4.5 Investments

Capitalised investments are shown at cost in the Statement of Financial Position.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.6 Loans

Loans are recognised in the Statement of Financial Position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the Statement of Financial Position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected at the latest purchase price.

4.8 Capital assets

4.8.1 Movable assets

Initial recognition



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**ACCOUNTING POLICIES
for the year ended 31 March 2016**

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as “expenditure for capital asset” and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current “goods and services” in the Statement of Financial Performance.

4.8.2 Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the Statement of Financial Performance as “expenditure for capital asset”. On completion, the total cost of the project is included in the asset register of the department that legally owns the asset or the provincial/national department of public works.

Repairs and maintenance is expensed as current “goods and services” in the Statement of Financial Performance.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the Statement of Financial Position.

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent assets



*KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12*

**ACCOUNTING POLICIES
for the year ended 31 March 2016**

Contingent assets are included in the disclosure notes to the financial statements when it is possible that an inflow of economic benefits will flow to the entity.

5.4 Commitments

Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

5.5 Accruals

Accruals are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

5.6 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or the Statement of Financial Position.

5.7 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the Statement of Financial Position. Finance lease payments are recognised as a capital expense in the Statement of Financial Performance and are apportioned between the capital and interest portions. The total finance lease payment is disclosed in the disclosure notes to the financial statements.

Operating lease

Operating lease payments are recognised as an expense in the Statement of Financial Performance. The operating lease commitments are disclosed in the disclosure notes to the financial statements.

5.8 Provisions

Provisions are disclosed 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 will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements. These receivables are written off when identified as irrecoverable and are disclosed separately.



*KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12*

**ACCOUNTING POLICIES
for the year ended 31 March 2016**

7. Net Assets

7.1 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 underlining asset is disposed and the related funds are received.

7.2 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.

8. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.

9. Key management personnel

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

10. Public private partnerships

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

1. Annual Appropriation

1.1 Annual Appropriation

	Final Appropriation	Actual Funds Received	Funds not requested/not received	Appropriation received 2014/15
	R'000	R'000	R'000	R'000
Administration	306 021	306 021	-	253 814
Transport Infrastructure	6 994 164	6 718 482	275 682	6 827 918
Transport Operations	1 288 069	1 288 069	-	1 253 412
Transport Regulations	737 790	737 790	-	670 201
Community Based Programme	40 516	40 516	-	45 540
Total	9 366 560	9 090 878	275 682	9 050 885

Provide an explanation for funds not requested/not received.

National reduced the PRMG by R30.241 million for flood disaster funding and R245.450 million is to be transferred in the 2016-17 financial year.

	Note	2015/16 R'000	2014/15 R'000
1.2 Conditional grants			
Total grants received	34	2 483 932	2 752 384

2. Departmental revenue

Tax revenue		1 490 173	1 481 126
Sales of goods and services other than capital assets	2.1	119 355	126 811
Fines, penalties and forfeits	2.2	45 671	43 476
Interest, dividends and rent on land	2.3	202	236
Sales of capital assets	2.4	6 221	4 389
Financial transactions in assets and liabilities	2.5	3 358	369
Departmental revenue collected		1 664 980	1 656 407



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

	<i>Note</i>	2015/16 R'000	2014/15 R'000
2.1 Sales of goods and services other than capital assets	2		
Sales of goods and services produced by the department		119 355	126 811
Sales by market establishment		6 069	5 831
Administrative fees		107 739	113 874
Other sales		5 547	7 106
Total		119 355	126 811
2.2 Fines, penalties and forfeits	2		
Fines		45 671	43 476
Total		45 671	43 476
2.3 Interest, dividends and rent on land	2		
Interest		48	35
Dividends		25	23
Rent on land		129	178
Total		202	236
2.4 Sale of capital assets	2		
Tangible assets			
Machinery and equipment		6 221	4 389
Total		6 221	4 389
2.5 Financial transactions in assets and liabilities	2		
Other Receipts including Recoverable Revenue		3 358	369
Total		3 358	369



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

	<i>Note</i>	2015/16 R'000	2014/15 R'000
3. Aid Assistance			
Opening Balance		43 553	18 536
Prior Period Error		-	-
As restated		43 553	18 536
Transferred from statement of financial performance		(14 602)	25 017
Closing Balance		28 951	43 553
Analysis of balance			
Aid assistance unutilised	3	28 951	43 553
Other sources		28 951	43 553
Closing balance		28 951	43 553
4. Compensation of employees			
	4		
4.1 Salaries and Wages			
Basic salary		717 697	660 856
Performance award		13 448	14 762
Service Based		3 420	4 148
Compensative/circumstantial		111 160	121 138
Periodic payments		22 508	14 434
Other non-pensionable allowances		467 600	422 021
Total		1 335 833	1 237 359
4.2 Social contributions			
Employer contributions	4		
Pension		86 897	78 578
Medical		69 117	53 121
UIF		4	30
Bargaining council		282	256
Insurance		596	516
Total		156 896	132 501
Total compensation of employees		1 492 729	1 369 860
Average number of employees		4 112	3 917



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

		R'000	R'000
5. Goods and services			
Administrative fees		1 903	1 632
Advertising		12 694	11 304
Minor assets	5.1	6 588	5 503
Bursaries (employees)		134	442
Catering		5 559	7 394
Communication		35 691	35 373
Computer services	5.2	48 669	44 083
Consultants: Business and advisory services	5.3	117 399	152 423
Infrastructure and planning services	5.3	135 444	94
Laboratory services	5.3	513	435
Legal services	5.3	22 854	19 054
Contractors	5.3	1 507 343	1 958 622
Agency and support/ outsourced services	5.3	10 267	1 710
Entertainment		2	13
Audit cost – external	5.4	6 456	6 960
Fleet services		86 160	69 095
Inventory	5.5	126 159	132 006
Consumables	5.6	25 557	18 884
Operating leases		26 266	18 465
Property payments	5.7	96 855	86 921
Rental and hiring		297	3 450
Transport provided as part of the departmental activities		215 260	142 040
Travel and subsistence	5.8	61 053	59 674
Venues and facilities		8 982	19 505
Training and development		6 496	3 443
Other operating expenditure	5.9	12 255	9 329
Total		2 576 856	2 807 854
5.1 Minor Assets	5		
Tangible assets			
Machinery and equipment		6 588	5 503
Total		6 588	5 503

Note

**2015/16
R'000**

**2014/15
R'000**



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

5.2 Computer services	5		
SITA computer services		37 580	34 351
External computer service providers		11 089	9 732
Total		48 669	44 083
5.3 Consultants, contractors and agency/ outsourced	5		
Business and advisory services		117 399	152 423
Infrastructure and planning		135 444	94
Laboratory services		513	435
Legal costs		22 854	19 054
Contractors		1 507 343	1 958 622
Agency and support/outsourced services		10 267	1 710
Total		1 793 820	2 132 338
5.4 Audit cost – external	5		
Regularity audits		5 014	4 294
Performance audits		-	1 128
Investigations		93	566
Computer audits		1 349	972
Total		6 456	6 960
5.5 Inventory	5		
Clothing material and accessories		8 082	6 041
Food and food supplies		721	999
Fuel, oil and gas		40 050	40 204
Learning and teaching support material		342	393
Materials and supplies		76 504	82 685
Medicine		460	1 684
Total		126 159	132 006
5.6 Consumables	5		
Consumable supplies		15 911	5 615
Uniform and clothing		1 262	531
Household supplies		2 665	2 335
Building material and supplies		1 575	-
Communication accessories		4 874	564
IT consumables		5 114	2 122
Other consumables		421	63
Stationery, printing and office supplies		9 646	13 269
Total		25 557	18 884
		<i>Note</i>	
		2015/16	2014/15
		R'000	R'000
5.7 Property payments	5		
Municipal services		35 851	31 786
Property maintenance and repairs		15 882	13 323
Other		45 122	41 812



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

		96 855	86 921
Total			
5.8 Travel and subsistence	5		
Local		60 937	59 538
Foreign		116	136
Total		61 053	59 674
5.9 Other operating expenditure	5		
Resettlement costs		766	488
Other		11 489	8 841
Total		12 255	9 329
6. Interest and rent on land	6		
Interest paid		3	5
Total		3	5
7. Payments for financial assets	7		
Other material losses written off		286	161
Debt written off		356	219
Total		642	380
7.1 Other material losses written off	7		
Claims by State - removal of vehicles		286	161
Total		286	161
7.2 Debts written off	7		
Employee debt		351	217
Tax debt		5	2
Total		356	219
8. Transfers and subsidies			
Provinces and municipalities		4 536	4 093
Departmental agencies and accounts	<i>Annex 1A</i>	1 608	4 522
Public corporations and private enterprise	<i>Annex 1B</i>	993 057	985 852
Households	<i>Annex 1C</i>	17 614	33 825
Total		1 016 815	1 028 292
		2015/16	2014/15
		R'000	R'000
9. Expenditure for Capital Assets			
Tangible assets		4 234 445	3 842 056
Building and other fixed structures		4 032 842	3 675 620
Machinery and equipment		201 603	166 436
Intangible assets		12 445	3 502
Patents, licences, copyright, brand names, trademarks		12 445	3 502



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

Total	4 246 890	3 845 558
--------------	------------------	------------------

The following amounts have been included as project costs in expenditure for capital assets:

Goods and services	4 002 400	3 675 616
Total	4 002 400	3 675 616

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

	Voted Funds	Aid assistance	TOTAL
	R'000	R'000	R'000
Tangible assets			
Building and other fixed structures	4 032 842	-	4 032 842
Machinery and equipment	201 603	-	201 603
Intangible assets			
Patents, licences, copyright, brand names, trademarks	12 445	-	12 445
Total	4 246 890	-	4 246 890

Leases exceeding 3 years for photocopies are classified as Finance leases and included under Machinery and Equipment

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

	Voted Funds	Aid assistance	TOTAL
Tangible assets			
Buildings and other fixed structures	3 675 620	-	3 675 620
Machinery and equipment	166 436	-	166 436
Intangible assets			
Patents, licences, copyright, brand names, trademarks	3 502	-	3 502
Total	3 845 558	-	3 845 558

9.3 Finance lease expenditure included in Expenditure for capital assets - Tangible

	2015/16 R'000	2014/15 R'000
Machinery and equipment	1 906	8 344
Total	1 906	8 344

Photocopying machines with lease periods exceeding three (3) years

10. Unauthorised expenditure



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

10.1 Reconciliation of unauthorised expenditure

Opening balance	10 166	21 915
Unauthorised expenditure – discovered in the current year	13 101	1 064
Less: Amounts approved by Parliament/Legislature with funding	-	(12 813)
Less: Amounts approved by Parliament/Legislature without funding and written off in the Statement of Financial Performance	(4 557)	
Unauthorised expenditure awaiting authorisation	18 710	10 166

10.2 Analysis awaiting authorisation per economic classification

Current	-	1 064
Capital	18 710	9 102
Total	18 710	10 166

10.3 Analysis awaiting authorisation per type

Unauthorised Expenditure relating to overspending of the vote or a main division within the vote.	18 710	10 166
Total	18 710	10 166

10.4 Details of unauthorised expenditure - current

Over expenditure on Capital Items	13 101
Total	13 101

11. Cash and cash equivalents

Consolidated Paymaster General Account	-	289 162
Cash receipts	-	1 859
Disbursement	-	(289 428)
Cash on hand	28	26
Total	28	1 619

12. Prepayments and advances

Travel and subsistence	816	846
Total	816	846

13. Receivables

Note	2015/16			2014/15	
	Current R'000	Non-current R'000	Total R'000	Current R'000	Total R'000
Claims recoverable	22 477	12 552	35 029	67 861	67 861
Staff debt	657	4 336	4 993	5 061	5 061
Other debtors	1 166	1 968	3 134	3 285	3 285
Total	24 300	18 856	43 156	76 207	76 207



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

	2015/16 R'000	2014/15 R'000
13.1 Claims recoverable		
National departments	11 696	11 208
Provincial departments	18 169	51 365
Public entities	5 164	5 288
Total	35 029	67 861
13.2 Staff debt		
Breach of Contract	383	398
In Service Debts	1 939	1 841
Out of Service Debts	2 035	2 121
Tax Debt	276	219
Private entities	360	482
Total	4 993	5 061
13.3 Other debtors		
Dishonoured Cheques	249	228
Disallowance - Fraudulent Payments	1 968	1 968
Salary Reversal	911	1 086
Other	6	3
Total	3 134	3 285
14. Voted funds to be surrendered to the Revenue Fund		
Opening balance	-	-
Transfer from Statement of Financial Performance	28 068	(1 064)
Add: Unauthorised expenditure for current year	13 101	1 064
Voted funds not requested /not received	(275 682)	-
Closing balance	(234 513)	-
15. Departmental revenue to be surrendered to the Revenue Fund		
Opening balance	26 575	153 661
Transfer from Statement of Financial Performance	1 664 980	1 656 407
Paid during the year	(1 550 464)	(1 783 493)
Closing balance	141 091	26 575
16. Bank Overdraft		
Consolidated Paymaster General Account	109 222	
Total	109 222	



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

17. Payables – current		
Advances received	4 951	7 551
Other payables	9 887	8 105
Total	14 838	15 656
17.1 Advances received		
Public Enterprises	4 951	7 551
Total	4 951	7 551
17.2 Other payables		
Sal: Deduction Disall Acc	6	6
Sal: ACB Recalls	313	428
Sal: Medical Aid	8	7
Sal: Income tax	206	940
Traffic Fines received from court incorrectly paid to RTI	9 350	6 716
Other	4	8
Total	9 887	8 105

	2015/16	2014/15
	R'000	R'000
18. Net cash flow available from operating activities		
Net surplus/(deficit) as per Statement of Financial Performance	1 678 446	1 680 360
Add back non cash/cash movements not deemed operating activities	2 455 875	2 078 424
(Increase)/decrease in receivables – current	33 051	7 421
(Increase)/decrease in prepayments and advances	30	(40)
(Increase)/decrease in other current assets	4 557	12 813
Increase/(decrease) in payables – current	(818)	577
Proceeds from sale of capital assets	(6 221)	(4 389)
Distribution/dividends received	(25)	(23)
Expenditure on capital assets	4 246 890	3 845 558
Surrenders to Revenue Fund	(1 550 464)	(1 783 493)
Voted funds not requested/not received	(275 682)	-
Other non-cash items	4 557	-
Net cash flow generated by operating activities	4 134 321	3 758 784

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

Consolidated Paymaster General account	(109 222)	289 162
--	-----------	---------



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

Cash receipts	-	1 859
Disbursement	-	(289 428)
Cash on hand	28	26
Total	(109 194)	1 619

20. Contingent liabilities

Liable to	Nature		
Housing loan guarantees	Employees	123	241
Claims against the department		150 939	192 701
Intergovernmental payables (unconfirmed balances)		1 995	1 889
Total		153 057	194 831

**2015/16
R'000** **2014/15
R'000**

21. Commitments

Current expenditure

Approved and contracted	1 215 793	1 617 537
Approved but not yet contracted	27 765	51 266
	1 243 558	1 668 803

Capital expenditure

Approved and contracted	7 294 065	2 350 228
Approved but not yet contracted	1 449 676	1 226 158
	8 743 741	3 576 386

Total Commitments

9 987 299	5 245 189
------------------	------------------

Indicate whether a commitment is for longer than a year

The department has commitments for cellphones, photocopiers, land, buildings and infrastructure projects that exceed a year

9. Accruals and payables not recognised

22.1 Accruals

Listed by economic classification	2015/16			2014/15
	30 Days	30+ Days	Total	Total
Goods and services	90 964	-	90 964	183 314
Transfers and subsidies	1 682	-	1 682	2 060
Capital assets	165 124	14 141	179 265	682 154



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

Other	-	-	-	145 409
Total	257 770	14 141	271 911	1 012 937

Listed by programme level

Administration	28 150	169 992
Transport Infrastructure	185 740	690 337
Transport Operations	23 129	80 865
Transport Regulation	33 316	40 257
Community-Based Programme	1 576	31 486
	271 911	1 012 937

22.2 Payables not recognised

Listed by economic classification	2015/16			2014/15
	30 Days	30+ Days	Total	Total
Goods and services	26 908	1 499	28 407	32 112
Capital assets	99 029	7 594	106 623	62 941
Total	125 937	9 093	135 030	169 866

Listed by programme level

Administration	2 116	17 885
Transport Infrastructure	100 148	62 941
Transport Operations	93	74 813
Transport Regulations	32 446	8 772
Community-Based Programme	227	5 455
	135 030	169 866

23. Employee benefits

Leave entitlement	57 940	53 391
Service Bonus (Thirteenth cheque)	29 004	26 239
Performance Awards	-	17 719
Capped leave commitments	76 330	77 820
Other	250	2 614
Total	163 524	177 783

24. Lease Commitments

24.1 Operating leases expenditure

2015/16	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
Not later than 1 year	66	2 437	20 033	22 536
Later than 1 year and not later than 5 years	49	-	496	545
Total lease commitments	115	2 437	20 529	23 081

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



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

	R'000	R'000	R'000	R'000
Not later than 1 year	50	353	15 824	16 227
Later than 1 year and not later than 5 years	96	-	-	96
Total lease commitments	146	353	15 824	16 323

24.2 Finance leases expenditure

2015/16	Machinery and equipment	Total
	R'000	R'000
Not later than 1 year	6 453	6 453
Later than 1 year and not later than 5 years	1 539	1 539
Total lease commitments	7 992	7 992
2014/15	Machinery and equipment	Total
	R'000	R'000
Not later than 1 year	7 154	7 154
Later than 1 year and not later than 5 years	4 417	4 417
Total lease commitments	11 571	11 571

This note excludes leases relating to public private partnerships as they are separately disclosed to note.

24.3 Operating lease revenue

2014/15	Buildings and other fixed structures	Total
	R'000	R'000
Not later than 1 year	9	9
Total operating lease revenue received	9	9

The department has a lease with Westwood Mallof which rental income of R18 000 for 2015-16 is outstanding

2015/16

2014/15	R'000	R'000
25. Accrued departmental revenue		
Fines, penalties and forfeits	47 400	74 498
Total	47 400	74 498

This is calculated on a percentage of fines collected against fines recognised from April 2014 to March 2016 = 7.26%

25.1 Analysis of accrued departmental revenue

Opening balance	74 498	74 375
-----------------	--------	--------



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

Add: Amount recognised	652 897	573 063
Less: Amounts written-off/reversed as irrecoverable	679 995	572 940
Closing balance	47 400	74 498
 25.2 Accrued department revenue written off		
Nature of losses		
Traffic Fines	74 497	74 375
Total	74 497	74 375
 25.3 Impairment of accrued departmental revenue		
Estimate of Impairment of accrued departmental revenue	605 497	498 565
Total	605 497	498 565
 26. Irregular Expenditure		
	2015/16	2014/15
	R'000	R'000
 26.1 Reconciliation of irregular expenditure		
Opening balance	49 886	38 241
Prior period error	-	358
As restated	49 886	38 599
Add: Irregular expenditure - relating to prior year	469 365	-
Add: Irregular expenditure - relating to current year	7 885	11 287
Irregular expenditure awaiting condonation	527 134	49 866
 Analysis of awaiting condonation per age classification		
Current year	7 883	11 287
Prior years	519 251	38 241
Total	527 134	49 528
 26.2 Details of irregular expenditure – current year		
Non-compliance with SCM procedures	7 883	
Total	7 883	
 26.4 Prior period error		
Incorrectly classified as Irregular 2013-14		358
Total		358
 27. Fruitless and wasteful expenditure		



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

27.1 Reconciliation of fruitless and wasteful expenditure

Opening balance	5	73
Fruitless and wasteful expenditure relating to current year	3	5
Less: Amounts resolved	(5)	(73)
Closing balance	3	5

27.2 Analysis of current year's fruitless and wasteful expenditure

	2015/16 R'000	2014/15 R'000
Interest paid to Driver License Card	3	-
Total	3	-

28. Key management personnel

	No. of Individuals		
Political office bearers (provide detail below)	1	1 902	1 822
Officials			
Level 15 to 16	5	6 752	6 028
Level 14 (incl. CFO if at a lower level)	8	9 251	11 054
Family members of key management personnel	5	1 321	1 000
Total		19 226	19 904

29. Provisions

Claims against the state	36	2 772
	36	2 772

29.1 Reconciliation of movement in provision 2015/16

	Claims Against the State	Total Provisions
Opening balance	2 772	2 772
Increase in provision	36	36
Settlement of provision	(2 772)	(2 772)
Closing balance	36	36

Reconciliation of movement in provision 2014/15

Increase in provision	2 772	2 772
Closing balance	2 772	2 772

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	Additions R'000	Disposals R'000	Closing Balance R'000
Machinery and Equipment	928 361	211 705	27 858	1 112 208
Transport assets	549 898	196 838	27 581	719 155
Computer equipment	19 029	10 003	133	28 899



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

Furniture and office equipment	50 286	730	51	50 965
Other machinery and equipment	309 148	4 134	93	313 189
Total Movable Tangible Capital Assets	928 361	211 705	27 858	1 112 208

Additions

30.1 Additions to Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2016

	Opening Balance	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	201 893	9 812	-	-	211 705
Transport assets	187 026	9 812	-	-	196 838
Computer equipment	10 003	-	-	-	10 003
Furniture and office equipment	730	-	-	-	730
Other machinery and equipment	4 134	-	-	-	4 134
Total Additions to Movable Tangible Capital Assets	201 893	9 812	-	-	211 705

Disposals

30.2 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	27 610	248	27 858	6 221
Transport assets	27 581	-	27 581	6 221
Computer equipment	-	133	133	-
Furniture and office equipment	10	41	51	-
Other machinery and equipment	19	74	93	-
Total Disposal of Movable Tangible Capital Assets	27 610	248	27 858	6 221



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

Movement for 2014/15
30.3 Movement in Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2015

	Opening Balance	Prior Period Error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Machinery and Equipment	769 403	-	166 436	7 478	928 361
Transport assets	407 627	-	149 749	7 478	549 898
Computer equipment	15 880	-	3 149	-	19 029
Furniture and office equipment	39 968	-	10 318	-	50 286
Other machinery and equipment	305 928	-	3 220	-	309 148
Total Additions to Movable Tangible Capital Assets	769 403	-	166 436	7 478	928 361

30.4 Minor Assets
Movement in Minor Assets Per the Asset Register for the year ended 31 March 2016

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance		39 938	39 938
Additions		6 589	6 589
Disposals		79	79
TOTAL MINOR ASSETS		46 448	46 448

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Number of R1 Minor Assets		35 561	35 561
Number of Minor Assets at Cost		19 856	19 856
TOTAL NUMBER OF MINOR ASSETS		55 417	55 417

Minor Assets
Movement in Minor Assets Per the Asset Register for the year ended 31 March 2015

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance		36 579	36 579
Additions		5 501	5 501
Disposals		2 142	2 142
TOTAL MINOR ASSETS		39 938	39 938

Intangible assets R'000	Machinery and equipment R'000	Total R'000
----------------------------	-------------------------------------	----------------



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

Number of R1 Minor Assets	19 337	19 337
Number of Minor Assets at Cost	35 687	35 687
TOTAL NUMBER OF MINOR ASSETS	55 024	55 024

31. Intangible Capital Assets

Movement in Intangible Capital Assets per Asset Register for the year ended 31 March 2016

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Patents, Licences, Copyright, Brand	29 746	12 445	-	42 191
Total Intangible Capital Assets	29 746	12 445	-	42 191

Additions

31.1 Additions to Intangible Capital Assets per Asset Register for the year ended 31 March 2016

	Cash R'000	Non-cash R'000	Closing Balance R'000
Patents, Licences, Copyright, Brand	12 445	-	12 445
Total Intangible Capital Assets	12 445	-	12 445

Movements for 2014/15

31.2 Movement in Intangible Capital Assets per Asset Register for the year ended 31 March 2015

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Patents, Licences, Copyright, Brand	26 244	3 502	-	29 746
Total Intangible Capital Assets	26 244	3 502	-	29 746

32. Immovable Tangible Capital Assets

Movement in Immovable Tangible Capital Assets Per the Asset Register for the year ended 31 March 2016

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Other fixed structures	10 016 479	583 460	-	10 599 939
Total Immovable Tangible Assets	10 016 479	583 460	-	10 599 939

Additions

32.1 Additions to Immovable Tangible Capital Assets per Asset Register for the year ended 31 March 2016

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Other fixed structures	4 032 842	(3 449 382)	-	583 460
Total Additions to Immovable	4 032 842	(3 449 382)	-	583 460

Movement for 2014/15

32.2 Movement in Immovable Tangible Capital Assets per Asset Register for the year ended 31



*KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12*

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2016**

March 2015

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Other fixed structures	8 744 299	1 272 181	-	10 016 479
Total Immovable Tangible Capital	8 744 299	1 272 181	-	10 016 479

Immovable assets valued at R1

32.3 Immovable Assets Valued at R1 in the Asset Register as at 31 March 2016

	Buildings and other fixed structures	Total
R1 Immovable assets	1 492	1492
Total	1 492	1492

32.4 Immovable assets additional information - 2015/16

a) Facilities on right to use land

	Duration of use	Number
Roads	Indefinite	2 738

33. **INVENTORY** (Effective 1 April 2017)

Inventory

	2015/16		2014/15	
	Quantity	R'000	Quantity	R'000
Opening balance		29 071		22 117
Add: Additions/Purchases - Cash		87 044		88 625
(Less): Issues		(75 487)		(71 870)
Add/(Less): Adjustments		(10 775)		(9 801)
Closing balance		- 29 853		- 29 071



**KWAZULU-NATAL: DEPARTMENT OF TRANSPORT
VOTE 12**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015**

NOTE 34 STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION				SPENT					2014/15	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under/ (over-spending)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		%	R'000	R'000
Provincial Roads Maintenance	1 779 255	-	-	-	1 779 255	1 503 564	1 749 014	30 241	116%	1 788 158	1 788 158
Public Transport Operations	924 766	-	-	-	924 766	924 766	924 766	-	100%	904 783	904 783
EPWP Incentive Grant	55 602	-	-	-	55 602	55 602	55 602	-	100%	59 443	59 443
	2 759 623	-	-	-	2 759 623	2 483 932	2 729 382	30 241		2 752 384	2 752 384

National reduced the PRMG by R30.241 million for flood disaster funding and had not transferred R245.450 million by financial year-end, this is still due to the department.

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015**

NOTE 35 STATEMENT OF CONDITIONAL GRANTS PAID TO PROVINCES

NAME OF PROVINCE/GRANT	TRANSFER ALLOCATION				TRANSFER	SPENT			2014/15
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount received by department	Amount spent by department	% of Available funds Transferred	Grant Allocation
	R'000	R'000	R'000	R'000	R'000			%	R'000
Summary by province									
KwaZulu-Natal	2 148	-	3 435	5 583	-	4 536	-	0%	4 093
	2 148	-	3 435	5 583	-	4 536	-	-	4 093
Summary by grant									
Motor Vehicle Licences	2 148	-	3 435	5 583	-	4 536	-	0%	4 093
	2 148	-	3 435	5 583	-	4 536	-	-	4 093
Motor Vehicle Licences									
KwaZulu-Natal	2 148	-	3 435	5 583	-	4 536	-	0%	4 093
	2 148	-	3 435	5 583	-	4 536	-	-	4 093



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 1A
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2014/15
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Construction CETA	1 608	-	-	1 608	1 608	100%	4522
	1 608	-	-	1 608	1 608		4 522

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 1B
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION			EXPENDITURE			2014/15		
	Adjusted appropriation on Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Private Enterprises									
Transfers	5 000	-	-	5 000	-	-	-	-	6 000
Vukuzakhe Emerging Contractors	5 000	-	-	5 000	-	-	-	-	6 000
Subsides	1 058 000	-	-	1 058 000	993 057	93.9%	-	993 057	996 829
Public Transport Operations Grant	1 058 000	-	-	1 058 000	993 057	93.9%	-	993 057	996 829
TOTAL	1 063 000	-	-	1 063 000	993 057	93.4%	-	993 057	1 002 829



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 1C
STATEMENT OF TRANSFERS TO HOUSEHOLDS

NAME OF PROVINCE/GRANT	TRANSFER ALLOCATION				EXPENDITURE		2014/15
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Grant Allocation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Employee Benefits : Injury on duty	2 000	-	-	2 000	2 024	101%	2 310
Employee Benefits : Leave Gratuity	6 000	-	-	6 000	7 215	120%	8 528
Claims Against State – cash	6 374	-	-	6 374	6 896	108%	11 896
Refund & Rem-Act	6 000	-	-	6 000	12	0%	10 673
Donations & Gifts	500	-	-	500	117	23%	418
Bursaries (non-employee)	-	-	-	-	1 350	-	-
Total	20 874	-	-	20 874	17 614		33 825

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 1D
STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
Received in cash					
Ethekewini Municipality	Provincial Public Transport Infrastructure	8 241	-	-	8 241
RTMC	Road Safety Improvement Programme	35 312	-	14 602	20 710
TOTAL		43 553	-	14 602	28 951



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015**

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 March 2016 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2015	Guarantees drawdowns during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Closing balance 31 March 2016
		R'000	R'000	R'000	R'000	R'000
ABSA Bank Limited	Housing	-	162	-	118	44
People's Bank FBC Fidelity Limited	Housing	-	-	-	-	-
FNB (A Division of First Rand Bank Limited)	Housing	-	-	-	-	-
Ithala Bank Limited	Housing	-	26	-	-	26
Nedbank Limited	Housing	-	-	-	-	-
Nedbank (NBS)	Housing	-	-	-	-	-
Old Mutual (Nedbank/ Permanent Bank)	Housing	-	24	-	-	24
FNB (Former Saambou Bank Limited)	Housing	-	16	-	-	16
Standard Bank of South Africa Limited	Housing	-	13	-	-	13
TOTAL		-	241	-	118	123

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015**

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 March 2016

Nature of Liability	Opening Balance 01/04/2015	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31/03/2016
	R'000	R'000	R'000		R'000
Claims against the department					
Potholes	42 962	14 512	24 564	-	32 910
Accidents	38 884	805	224	-	39 465
Civil	110 855	15 429	47 720	-	78 564
TOTAL	192 701	30 746	72 508	-	150 939



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

Government 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
SASSA	-	-	175	-	175	-
Other	-	-	367	-	367	-
KZN Municipalities						
Ethekewini Municipality	-	-	-	-	-	-
Maphumulo Municipality	-	-	-	164	-	164
Private Entity						
RBM	-	-	6 288	-	6 288	-
Public Entities						
National Public Entities	-	-	5 164	5 288	5 164	5 288
TOTAL	1 270	-	33 759	67 861	35 029	67 861

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

GOVERNMENT 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
DEPARTMENTS						
Current						
KwaZulu-Natal Provincial Departments						
Office of the Premier	-	-	-	-	-	-
Works	1 962	4 684	-	-	1 962	4 684
Community Safety & Liaison	-	-	-	-	-	-
Health	3	-	-	-	3	-
Provincial Treasury	6	-	-	-	6	-
Education	-	-	-	-	-	-
Arts and Culture	24	-	-	-	24	-
Total	1 995	4 684	-	-	1 995	4 684


 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 5

INVENTORY

	2015/16 R'000	2014/15 R'000
Inventory		
Opening balance	29 071	22 117
Add/(Less): Adjustments to prior year balances	-	-
Add: Additions/Purchases - Cash	87 044	88 625
Add: Additions – Non-cash	-	-
(Less): Disposals	-	-
(Less): Issues	(75 487)	(71 870)
Add/(Less): Adjustments	(10 775)	(9 801)
Closing balance	29 853	29 071

 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 3

CLAIMS RECOVERABLE

Government 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						
Correctional Services	-	-	240	117	240	117
Justice	-	-	11 075	11 366	11 075	11 366
Other	-	-	381	54	381	54
Unallocated credits	-	-	-	(329)	-	(329)
KZN Provincial Departments						
Agriculture	-	-	762	1 099	762	1 099
Economic Development	-	-	2 267	3	2 267	3
Education	-	-	(7 759)	7 994	(7 759)	7 994
Health	891	-	11 092	29 678	11 983	29 678
Human Settlement	39	-	7	24	46	24
Provincial Legislature	-	-	674	186	674	186
Office of the premier	-	-	(2 072)	2 297	(2 072)	2 297
Provincial Treasury	-	-	511	2	511	2
Royal Household	-	-	1 695	1 679	1 695	1 679
Co-Operative Gov & Traditional affairs	-	-	1 994	3 364	1 994	3 364
Social Welfare	-	-	1 045	3 057	1 045	3 057
Sport	-	-	2	516	2	516
Art & Culture	-	-	605	806	605	806
Community Safety and Liaison	340	-	-	332	340	332
Works	-	-	(754)	164	(754)	164



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 6

INTER-ENTITY ADVANCES RECEIVED

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2015	31/03/2014
	R'000	R'000	R'000	R'000	R'000	R'000
PUBLIC ENTITIES						
Current						
Driver Licence Cards	195	2 917	-	-	195	2 917
RTMC	4 756	4 634	-	-	4 756	4 634
Total	4 951	7 551	-	-	4 951	7 551



KwaZulu-Natal Department of Transport

COMPILED BY:

Communication Support, Department of Transport

172 Burger Street ■ Tel: 033 355 8624

Pietermaritzburg

PR 307/2016 | ISBN: 978-0-621-44888-7


Email: communications@kzntransport.gov.za



ANNUAL REPORT 2015/2016

“Prosperity Through Mobility.”

 <https://www.facebook.com/KZNTransport>

 [@KZNTransport](https://twitter.com/KZNTransport)

Road Safety is our collective responsibility.