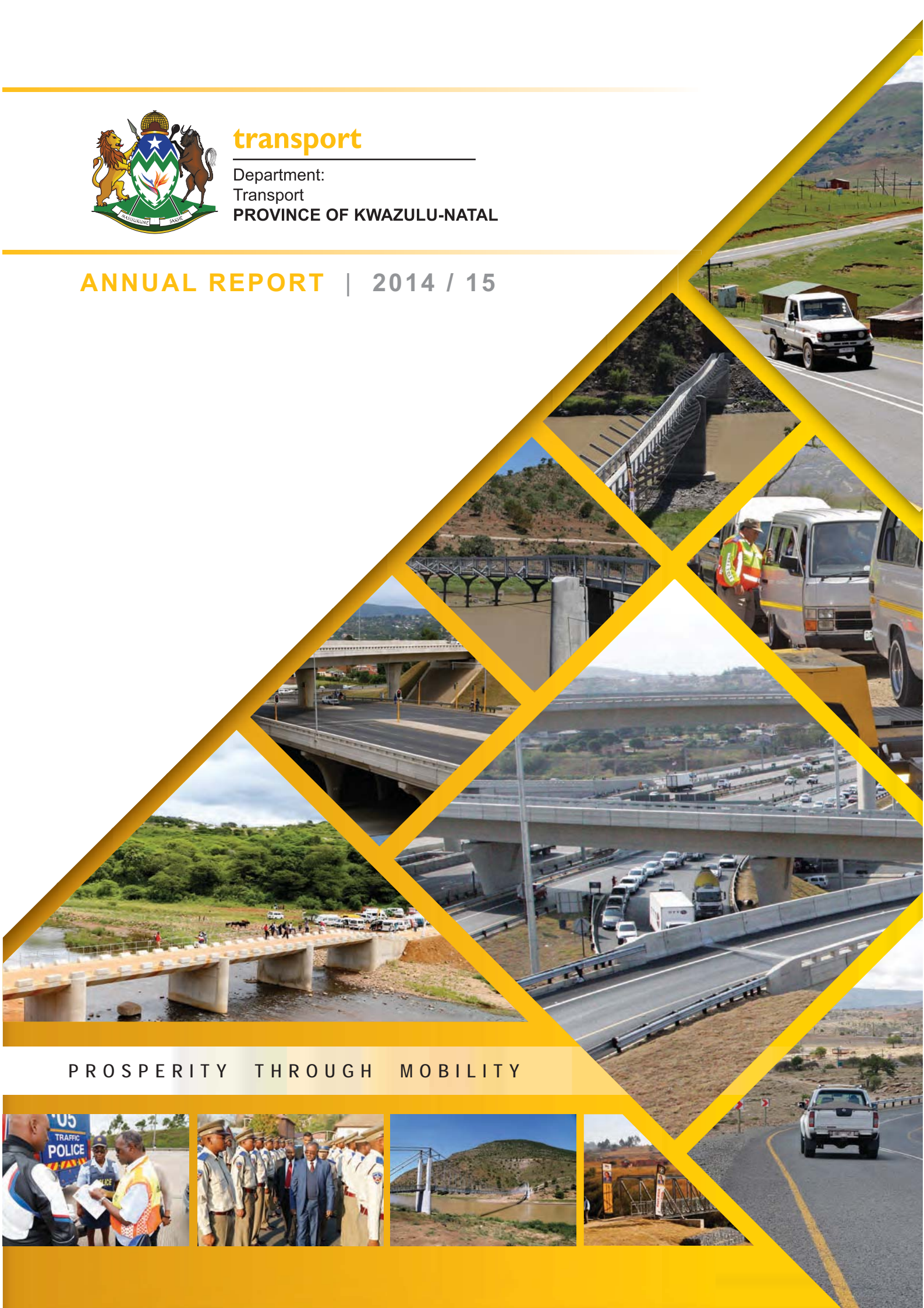




## transport

Department:  
Transport  
**PROVINCE OF KWAZULU-NATAL**

**ANNUAL REPORT** | 2014 / 15



PROSPERITY THROUGH MOBILITY

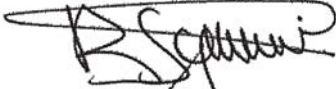




**KwaZulu-Natal Department of Transport**  
**Annual Report 2014/15**

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 2014 to 31 March 2015.



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**Mr B.S. Gumbi**  
**Head: Transport**  
**Date: 31 March 2015**

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# PART A:

## GENERAL INFORMATION





**transport**

Department:  
Transport  
**PROVINCE OF KWAZULU-NATAL**

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**PR276/2015**

**ISBN: 978-0-621-43919-9**



## List of Abbreviations/ Acronyms

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

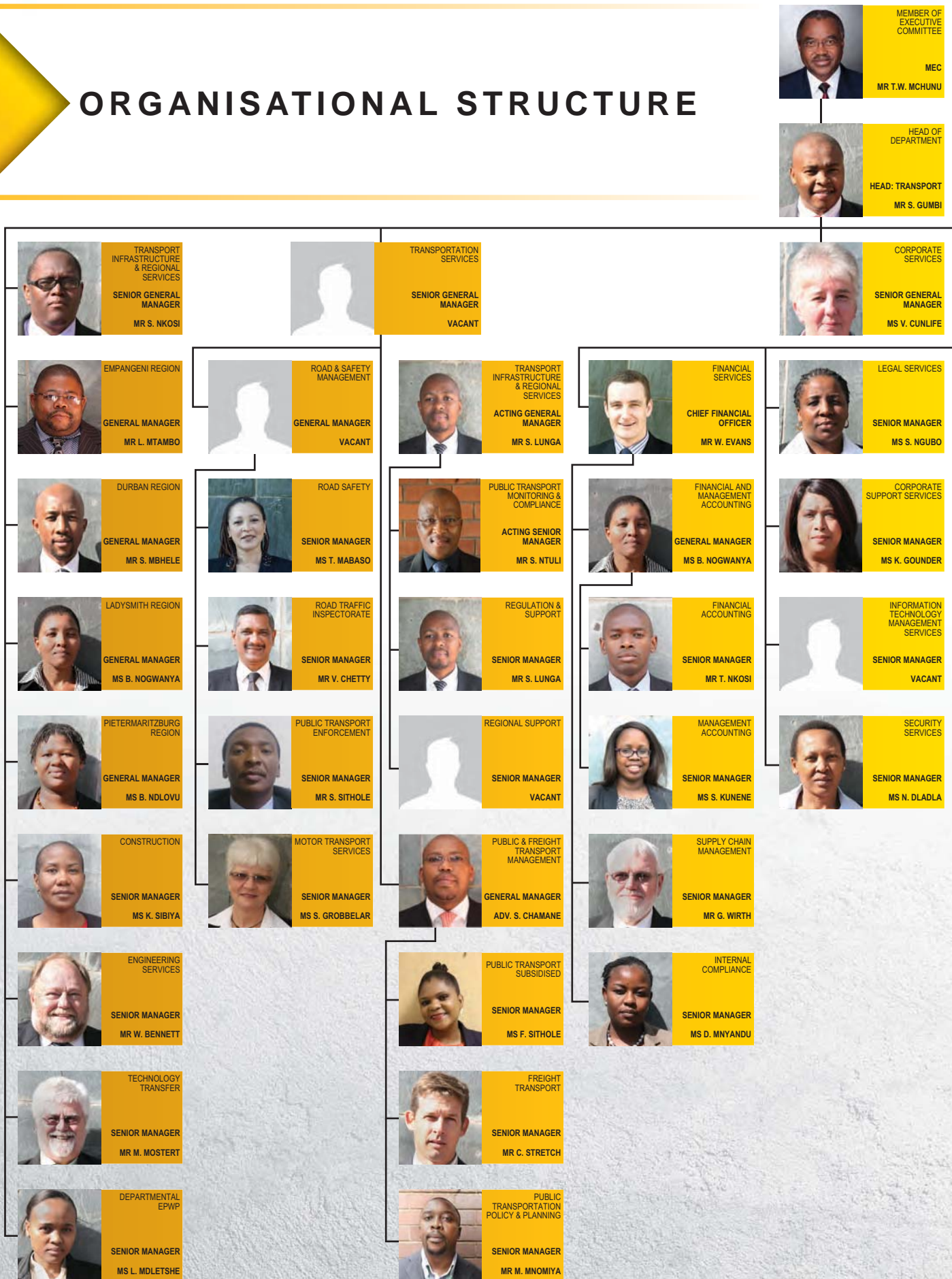
- Administrative Adjudication of Road Traffic Offences Act (Act No. 46 of 1998)
- Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003)
- Cross-border Act (Act No. 4 of 1998)
- Intergovernmental Relations Framework Act (Act No. 13 of 2005)
- KZN Provincial Minibus Taxi Act (Act No. 4 of 1998)
- 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)



# ORGANISATIONAL STRUCTURE











## FOREWORD BY MEC

MR. T.W. MCHUNU



I remain convinced that the KwaZulu-Natal Department of Transport continues to make progress and has over the last five years implemented strategic programmes that will improve its service delivery capacity. We are at the beginning of a new term of government and this means that we are expected to do better than the previous term, 2009 to 2014, in terms of service delivery achievements. The people of KwaZulu-Natal, especially the greater majority who continue to live in abject poverty, and desperately need access to roads and transportation infrastructure, because they reside in rural areas, remain at the centre of our focus. This will be so even as we continue to balance the construction of new roads and bridges with the maintenance of existing infrastructure, because this is critical to socio-economic growth of the province.

Similarly, we aim to steam ahead with our efforts to extend development benefits to citizens across other areas of service delivery, including training and development of mainly young people and women, in the public transport area, improve our traffic management, law enforcement and road safety. We have to respond to the needs of learners in rural schools, who still travel more than three (3) kilometres to school. This means we must increase the beneficiaries from the existing base of nearly 22 000 learners who currently enjoy scholar transport and the additional 9 000 who received bicycles.

On the regulatory front, we will continue to build on progress in the formalisation of the public transport industry through a well-managed licensing regime. Part of consolidating gains would be to finalise the economic viability study of the taxi industry, which is critical to resolving conflict over routes and ensuring that we maintain peace and stability.

The new term of government also sees us moving into the upper gear the focus on socio-economic

transformation. In this regard, the Department is already advancing with transformation programmes in the infrastructure and public transport areas.

In terms of infrastructure, the appointment of area consulting engineers, will see us bringing in a substantial number of black consultants which would have the total effect of transforming this business. As well, in terms of public transport, we will increase the number of district subsidised bus services that are black owned. It is critical that the rest of the districts also comply with our government's policy of broad-based Black Economic Empowerment. We will drive transformation projects while ensuring clean governance principles are strictly adhered to.

Finally, we remain concerned by the rate of road accidents, crashes and deaths, which now threaten to undermine the progress we made over the last five years. We have the obligation to meet our commitment to the 50 percent reduction of road accidents by 2020, as per the UN Decade of Action for Road Safety. Going forward, we are going to pay extra attention to all aspects of road safety and traffic law enforcement to ensure that we improve in this area, which is about life and death. This, indeed, will require the provincial and national consciousness of all stakeholders about road safety being an individual and collective responsibility. I urge all citizens to think deeply and exercise utmost responsibility when on the road, for all our sake.

**Mr. T.W. Mchunu**

**MEC for Transport, Community Safety and Liaison**







# REPORT OF THE ACCOUNTING OFFICER

**MR. B.S. GUMBI**



We have marked the end of the first year of the new term of administration, post the 2014 national general elections. We entered this new term with a clear mandate of escalating the drive for socio-economic transformation. As the KwaZulu-Natal Department of Transport, we have internalised this critical mandate by ensuring that it finds meaning in our Strategic Plan, covering the 2015/16 to 2019/20 fiscal years.

Already, we are advancing with the socio-economic transformation agenda that focuses on two of our strategic programmes. In terms of our Roads Infrastructure programme, while we will continue to beef up our delivery capacity by leveraging appropriate external expertise where required, we will ensure that there is a fair and equitable distribution of work and wealth. This should also ensure that the principles of improving budget and service delivery project management take centre stage.

Similarly, as a department we are helping to strengthen capacity of emerging contractors in the targeted groupings for empowerment through training.

In terms of our Subsidised Public Transport Services, we will ensure that contracts held in this area reflect the demographics of the country. The programme focuses on 23 contracts out of a total of 37 contracts in the province – of which 18 will achieve empowerment objectives in this process.

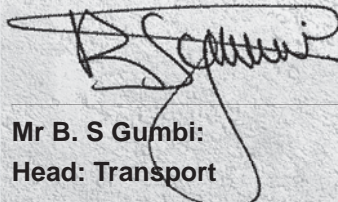
Notably, the rest of the contracts are in eThekweni Metropolitan Municipality, which is currently implementing its Integrated Public Transport Network, and Ugu District Municipality, which has already implemented its empowerment programme. This latter process will result in an estimated R206 million (out of R592 million total subsidy for the 23 contracts) transferred into the hands of African operators in the financial year 2015/16, and grow to R246 million (out of R738 million) in 2019/20.

These programmes aim to ensure that the majority Black African people have a stake in our economy. Our approach is tightly aligned to the objectives of the National Development Plan and the Provincial Growth and Development Plan. Importantly, our programmes also take into consideration local government economic development plans, as evidenced by our close cooperation with district and local municipalities.

Focus on socio-economic empowerment will therefore define our programmes going forward. Whether one looks at roads construction and maintenance, transportation services, as well as law enforcement and traffic management, the essence will be to advance transformation. Moreover, our bias towards developing rural communities will continue as has been the drive championed by the Executive Authority, MEC T.W. Mchunu.

Going forward, we will continue to create job opportunities through our construction projects and Zibambele Roads Maintenance programme for the unemployed, as well as facilitating the development and training of, and skills transfer to, small and emerging enterprises.

Finally, all our work will be centred on maintaining the highest standards of clean governance. On this critical point, we remain focused on uprooting fraud and corruption and ensuring that those who are found breaking the law, are properly sanctioned. This will be further ascertained through the introduction of innovative and technology driven systems and processes in areas including, critically, supply chain management.



**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.

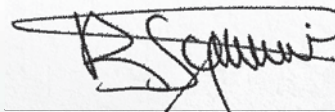
The annual report is complete, accurate and is free from any omissions. The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

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

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

The Accounting Officer is responsible for establishing, and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and 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, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2015.



Mr. B.S. Gurnbi  
Head: Transport  
31 May 2015

## PART B:

### PERFORMANCE INFORMATION





## OVERVIEW OF DEPARTMENTAL PERFORMANCE

### Service Delivery Environment

The Department remains committed to fulfilling and supporting government's mandates paying particular attention to those in respect of job creation, poverty alleviation and infrastructure development. This is due to the fact that these particular priorities are within our spheres of control and they directly influence our core functions and activities.

Government's new programme "Operation Phakisa" that deals with unlocking the economic potential of the country's oceans will have bearing on the Province's road infrastructure. 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.

Despite this new government initiative, the Department's primary focus continues to be on road infrastructure development in the rural areas as we strive to create an equitable road network. We will continue with our programmes such as "Operation kuShunquthuli" which focuses on road infrastructure development in the rural areas.

Key projects that are a catalyst in linking the rural communities to the provincial hub of activity are also 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.

The objectives of the Operation Sukuma Sakhe Programme that seek to institute food security; fight disease, in particular HIV, AIDS, TB, and poverty; to empower women, youth and people living with disabilities; and to instil behavioural change amongst the citizens of the Province have been fully encompassed by this Department. This is evident by regard our programmes, policies and activities that clearly support these provincial priority areas and objectives.

Government's mandate of economic transformation is encompassed in the Department's strategic goal of promoting sustainable economic transformation in the transportation sector. Consequently, the implementation of the Public Transport Transformation Strategy which provides for the incorporation of all modes of transport into the public transport subsidised contracts' remains one of the priorities of the Department. The

implementation of this strategy will result in taxi operators and small bus owners having ownership in their operating companies and participating intimately in the day to day running of their business.

The lack of capacity in municipalities has resulted in the Department being actively involved in the municipal function of the re-engineering of the public transport system through the development and implementation of integrated public transport networks. We will continue to undertake this function due to municipalities' capacity constraints. In this regard, our success at developing nine IPTNs is noteworthy with the remaining one of the ten in total (Harry Gwala) scheduled for completion.

The devastating effects of road accidents on families, society, the economy, the health sector and on the social system continue to be visible despite the Department's efforts at improving road safety. The safety of people using our Province's roads will always remain our top priority.

Strategies to improve road safety management will continue to be intensified through the following:

- promoting public transport safety;
- undertaking road safety education and awareness programmes;
- robust enforcement activities encompassing all users of public roads, ie. pedestrians, drivers, freight movers, etc; and
- eliminating fraud and corruption in the vehicle road worthiness area.

Ultimately the safety of our road users continues to be a priority for the Department.

- 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

In line with the Legislative Framework and in accordance with the Public Service Regulations Chapter 1 Part ii C "all departments are required to submit a Service Delivery Improvement Plan (SDIP)". The KwaZulu Natal Department of Transport developed

a comprehensive SDIP for 2012/13 to 2014/5. This process was in line with all DPSA requirements and gave a focused approach in improving service delivery areas with regard to 11 Batho Pele Principals identified by the Province of Kwa Zulu Natal.

A holistic departmental approach was followed during the process of developing the SDIP. In conjunction with the KZN Officer of the Premier consultative workshops

were held at the department's regional offices. The regional offices together with head office were requested to identify issues that presented a challenge for them in delivering on their mandate. These were submitted to Head Office for further consideration. The SDIP committee identified 3 challenges from these submissions and developed the Departmental SDIP. The challenges were aligned to the following service delivery areas.

Challenge: Problem Statement	Sub Programme	Program
1) The constant deterioration of the road network	Maintenance	Transport Infrastructure
2) The continued instability in public transport sector	Transport Safety & Compliance	Public & Freight Transport
3) Improve the quality of vehicle registration and licensing services delivered by the Department to various registering agents	Transport Administration & Licensing	Transport Regulation

#### 1. Improvement measure to address : The Constant Deterioration of Road Network

Main Service		Unit of measure	Actual customers	Potential Customers	Current Standard 2013/2014	Actual 2014/2015
Provincial Road Network Maintenance	Kilometers of surfaced roads rehabilitated	km	All road users	No intention to expand customer base	530	172
	Number of square meters of surfaced roads resealed	m <sup>2</sup>			2 200 000	1 233 580
	Number of kilometers of gravel road re-gravelled	km			2 540	1 655
	Number of square metres of blacktop patching (including pothole repairs)	m <sup>2</sup>			240 000	402 564
	Number of kilometres of gravel roads bladed	km			100 000	64 898

#### 1.1 Consultation arrangements for improvement measure to address: The Constant Deterioration of Road Network

Type of Arrangement	Actual Customers	Potential Customers	Actual Achievement
Consultation Consult stakeholders through various stakeholder forums ie conduct IDF meetings, IDP meetings, Monthly Rural Roads Transport Forum (RRTF) meetings.	All Road users	No intention to extent the customer base	Worked closely with Operation Sukuma Sakhe and the established war rooms (Achieved)
Open & Transparent Business plans and APP submitted to RRTF and Stakeholder meetings for ratification and input			Produced citizen report worked closely with Operation Sukuma Sakhe and the established war rooms. (Achieved)



## 1.2 Service delivery access strategy for improvement measure to address: The Constant Deterioration of Road Network

Access Strategy	Actual Achievements
Decentralization of offices to namely: Cost Centres, Area Offices, Informally the Compounds Formalize access at Compounds	Access to all district offices (Achieved)
To have complaint registers at Area Offices and Compounds. To notify complainant of progress between 2-7 days of receiving complaint.	Operational redress mechanism was used in conjunction with Operation Sukuma Sakhe and the established war rooms. (Achieved)

## 1.3 Service information tool for improvement measure to address: The Constant Deterioration of Road Network

Type of Information Tool	Actual Achievements
Information Disseminated through RRTF, IDF and IDP meetings	Informed and empowered stakeholders. Worked closely with Operation Sukuma Sakhe and the established war rooms. (Achieved)

## 1.4 Complaints mechanism for improvement measure to address: The Constant Deterioration of Road Network

Complaints Mechanism	Actual Achievements
To introduce complaints registers at Compounds and Offices. To formalise a customer satisfaction Questionnaire.	Improved service delivery achieved through interaction with established war rooms and operation Sukuma Sakhe on delivery issues (Achieved)
To have complaint registers at Area Offices and Compounds. To notify complainant of progress between 2-7 days of receiving complaint.	Operational redress mechanism was used in conjunction with Operation Sukuma Sakhe and the established war rooms. (Achieved)

## 1.5 Improvement measure to address : The continued instability in public transport sector

Main Service	Unit of measure	Actual customers	Potential Customers	Current Standard of service 2013/2014	Actual 2014/2015
A safe road environment	Undertake goal directed enforcement of public Transport (Operation Shanela)	Public transport operators, owners & commuters	No intention to expand customer base	550	952
	Research & Develop conflict resolution model			2	

## 2. Consultation arrangements for improvement measure to address: The continued instability in public transport sector

Type of Arrangement	Actual Customers	Potential Customers	Actual Achievement
Consultation All consultation conducted through various association, incidence are still high	All Road users	No intention to extent the customer base	Formulating plan of action Engage all role players Implement industry wide agreement (Achieved)
Open & Transparent All interaction is open and transparent Will continue to engage directly with the Public Transport industry and other affected stakeholders in open meetings and that allows for openness. Penalties for non-compliance.			(Achieved)

## 2.1 Service delivery access strategy for improvement measure to address: The continued instability in public



## transport sector

Access Strategy	Actual Achievements
Decentralization of Provincial Regulatory Entity (PRE). Registering offices to Port Shepstone & Jozini. The offices of the Directorate are located at the premises of a public service delivery point for ease of access. The building is easily accessible on and has facilities to accommodate the physically disabled members of the public. Contact details of the office and those of the members of staff within the directorate are provided to stakeholders. Members of the public are serviced in their own language	The Decentralisation to Port Shepstone and Jozini will be achieved in 2015/2016

## 2.2 Service information tool for improvement measure to address: The continued instability in public transport sector

Type of Information Tool	Actual Achievements
Information Make use of all available media to disseminate information through communications directorate and the media liaison office. Information that affects associations at an operational level is passed through general meetings with the members of the associations. Regional visits are also as information sharing sessions in the language of the operators	Improve in the utilization electronic and print media. (Achieved).

## 2.3 Complaints mechanism for improvement measure to address: The continued instability in public transport sector.

Complaints Mechanism	Actual Achievements
To introduce complaints registers at Offices. A formalised a customer satisfaction Questionnaire.	Improved service delivery achieved
The directorate ensures that complaints that cannot be resolved are referred to the appropriate authority to be dealt with.	Department is undergoing restructuring to deal with this issue. Authority to fill critical post were obtained, certain critical are filled (Achieved)

## 3. Improvement measure to address: Improve the quality of vehicle registration and licensing services delivered by the Department to various registering agents.

Main Service	Unit of measure	Actual customers	Potential Customers	Desired Standard 2013/2014	Actual 2014/2015
A safe Road Environment Number of new vehicles registered	number	Registering Authority Agents	No intention to expand customer base	82 000	

## 3.1 Consultation arrangements for improvement measure to address: Improve the quality of vehicle registration and licensing services delivered by the Department to various registering agents.

Type of Arrangement	Actual Customers	Potential Customers	Actual Achievement
Consultation Increased Site visits and meetings. Service delivery questionnaires.	Registering Authority Agents	No intention to extent the customer base	(Achieved)
Open & Transparent Ensure that RAs are aware of services to be performed and who to contact should there be any problems			(Achieved)



### 3.2 Service delivery access strategy for improvement measure to address: Improve the quality of vehicle registration and licensing services delivered by the Department to various registering agents.

Access Strategy	Actual Achievements
Telephonic, electronic and written communication support. High Risk transactions are communicated via the NaTIS (TMS).	Access by all RA (Achieved)

### 3.3 Service information tool for improvement measure to address: The Constant Deterioration of Road Network.

Type of Information Tool	Actual Achievements
Information All information required by RA's are communicated through circulars, training manuals, NaTIS messages. Dedicated post in section for the development of training material and circulars was established and filled	(Achieved)

### 3.4 Complaints mechanism for improvement measure to address: Improve the quality of vehicle registration and licensing services delivered by the Department to various registering agents.

Complaints Mechanism	Actual Achievements
Training of staff on the awareness of how to address RA's complaints, whom to contact and are given feedback. Improved analysis of complaints to improve services	(Achieved)

#### 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.

It is also envisaged that the newly developed ICT Strategic Plan will begin to see fruition with the appointment of a senior manager to drive the process and to fill critical posts with the information technology component.

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

There were no changes to the legislative environment that significantly impacted on the department's activities. The department continued to strengthen emphasis on activities, programmes, projects and policies to ensure that it is aligned with and completely support the Provincial Growth and Development Strategy (PGDS) and the resultant Provincial Growth and Development Plan (PGDP) which was approved in November 2012. The Department realises that transport infrastructure is key and paramount to achieving the vision of the PGDS and is striving to ensure that the province's road infrastructure networks will support the realisation of the PGDS.

As a means to deliver services to the communities of the Province, while satisfying government's electoral mandate, the core functions of the department are aligned to government's 5 key priorities, the Medium Term Strategic Framework as well as the Provincial Growth and Development Plan. Government has

identified 14 Outcomes as focus areas for the Medium Term Strategic Framework while the Provincial Growth and Development Plan has 7 goals, each with a set of strategic options.

### 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 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 Departmental Strategy.

#### Recent Outputs

The organisational restructuring is almost complete, and the focus will now be to fill the rest of the critical posts. Already 486 posts have been filled out of the 850 posts identified as critical and approved for filling at the

end of 2012. Over and above the critical posts, a total of 424 appointments to advertise posts were finalised during the last financial year. A further 133 posts not on the critical list were advertised during the last financial year, and processes are underway to fill them. All of these posts are filled while ensuring that we improve our employment equity. Women of all races occupying posts at Senior Management Service levels increased from 50 percent to 54.28 percent between 2009 and 2015. In the same period, employment of women in the entire department has risen from 39.07 percent to 45.81 percent. Our efforts to bolster our performance in terms of employment of people with disabilities are forging ahead, albeit from a low base. Currently, employees with disabilities make up 0.69 percent of the total workforce. The restructuring and transformation processes have served to ensure that we skill up for the future while meeting national and provincial priorities.

Programme Name <i>Programme 1: Administration</i>					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Women in management positions	43%	52%	52%	-	Target achieved
Designated employees in management positions	84%	86%	88%	1	Target achieved
Persons with disabilities employed by the Department	0.67%	0.77%	0.67%	0.1	Target under-achieved
Number of regulatory documents developed and approved	-	4..0	8.0	4	Target over-achieved



**Linking performance with budgets**

Programme/ Sub Programme	2014/15			2013/14		
	Final Ap- pro-priation	Actual Ex- penditure	(Over)/ Under Ex- penditure	Final Ap- pro-priation	Actual Ex- penditure	(Over)/ Under Ex- penditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration						
Office of the MEC	12 001	12 001	-	10 063	10 063	-
Management	7550	7550	-	7254	7254	-
Corporate Support	222 105	222 105	-	227 814	227 814	-
Departmental Strategy	17 316	17 316	-	12 173	12 173	-
Total	258 972	258 972	-	257 304	257 304	-

**Programme 2: Transport Infrastructure**

**Purpose:** The purpose of this programme 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.

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

The Strategic objectives are:

- A balanced and equitable transport network through infrastructure development
- Provincial road network maintenance

**Recent Outputs**

Improving road infrastructure is central to the development of the provincial economy. The department continues to invest the bulk of its budget into the existing infrastructure to improve maintenance and reduce the backlog in terms of the ailing roads and bridges.

Nearly 75 per cent of the department's budget is allocated toward the upgrading and maintenance of road infrastructure in line with the goal of providing a balanced road network that meets the mobility needs of KZN citizens, and providing a logistics platform for South Africa's global trade, in accordance with the national and PGDS/P.

Departmental programmes like Operation *KuShunquthuli* and the African Renaissance Roads Upgrading Programme (ARRUP) have continued to focus on road infrastructure development in rural areas.

**Sub-programme: Programme Support Infrastructure**

Programme Support Transport Infrastructure provides operational support to the Programme for the programme managers, their support staff and all related costs. Also includes administrative support with regard to road proclamations and financial matters.

Ongoing training and mentorship was provided to trainee engineers and technicians to increase their level of competence in their respective fields as well as increase their knowledge. The department's Technology Transfer (T2) centre continued to provide training during the 2014/15 financial year. Various courses such as the International Computer Driving Licence (ICDL), technology courses as well as internships were successfully carried out.

**Sub-programme: Infrastructure Planning**

Infrastructure Planning provides for integrated network planning, environmental planning, land use management and technical support. Promotes and improves safety on the transport infrastructure, facilitates the provision of road safety audits on all roads and transport infrastructure to ensure safety of people while utilising all transport infrastructure and the development of safety precautionary facilities at identified hazardous locations. Provision of data collection services, research to provide management information systems for the provincial road network (e.g. infrastructure network condition assessment, traffic counting and monitoring of traffic flows and accident data). Also includes training costs of technical staff.

**Sub-programme: Infrastructure Design**

Infrastructure Design provides design of roads and transport infrastructure including all the necessary support functions such as environmental impact assessments, traffic impact assessments, drawing office, survey, land acquisition, expropriation, technical support, traffic surveys, and material investigations and testing. Design for the upgrading and development of infrastructure relating to public transport e.g. taxi ranks, bus terminals and inter-modal transfer facilities.



### Sub-programme: Construction

The sub-programme Construction includes construction, rehabilitation, capacity increases, geometric improvements, safety improvements, and accessibility and development projects for road and transport infrastructure of capital expenditure. It includes implementation either using own resources, outsourced services or in co-operation with municipalities the public transport infrastructure required for providing services in terms of their transport plans. Construction projects are managed at Head Office.

Main Road P496 John Ross Highway, located between Empangeni to Richards Bay under uThungulu district, consisting of the upgrade of 15.7 kilometres was completed during the period under review.

The departmental target outputs for rehabilitation were negatively affected due to various tender appeals that were lodged against the annual contract for supplying and laying of premix. These projects are large and are therefore undertaken over a period of time. As such, most of these projects continue over several financial years. There are also challenges that are beyond the department's control, such as unfavourable weather conditions, in addition to the tender appeals.

### Sub-programme: Maintenance

The sub-programme Maintenance includes all activities related to the maintenance of road and transport infrastructure of a current nature that preserves it to its original design. It includes all maintenance activities such as routine, safety, preventative and periodic. Includes implementation either using own resources, outsourced services or in co-operation with municipalities the public transport infrastructure maintenance required for providing services in terms of their transport plans. It also includes the costs of the technical and administrative support and training costs, purchase and maintenance of the departmental plant and equipment

The department continued to undertake preventative, routine and emergency maintenance in order to gradually decrease the percentage of roads in poor to very poor conditions. The department exceeded its target of reducing the baseline of poor to very poor road network, from 52 percent to 44 percent and is currently at 41%.

Strategic objectives, performance indicators, planned targets and actual achievements

### Strategic objectives

Programme Name Programme 2:Transport Infrastructure					
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/5	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
A balanced and equitable transport network through infrastructure development <i>Kilometres of road declared</i>	31,545	31,800	31,800	-	-
Provincial road network maintenance <i>Percentage of required funding received</i>	43%	44%	41%	-4%	-

### Performance indicators

Programme / Sub-programme: Transport Infrastructure					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Construction					
Number of lane-km of new surfaced roads constructed	4	1	5	4	There was under planning on this indicator as the work being undertaken on P496 was not taken into consideration
Number of kilometres of new gravel roads constructed	228	255	193	-62	Regions encountered problems with appeals



Programme / Sub-programme: Transport Infrastructure					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Number of m <sup>2</sup> of surfaced road upgraded	-	32 900	47 625	14 725	The completion of a project was accelerated to align to completion of the mall development to facilitate the economic development of the area
Kilometres of gravel roads upgraded to surfaced roads	104	78	81	3	Additional outputs achieved from sections of certain projects that were due for completion from the previous financial year
Number of square metres of non-motorised transport facility constructed	43 834	30 000	76 797	46 797	Proper validation of information from regions ensured target was met and exceeded
Number of bridges constructed	10	7	10	3	The completion of three bridges was accelerated and completion was achieved earlier than originally planned
Number of pedestrian bridges constructed	17	13	3	10	Numerous delays were encountered due to the introduction of water licence requirement which came into effect in December 2014
Design of Integrated Public Transport Networks	-	3	4	1	The Department was targeting 3 IPTN's. However the costs on proposals received from service providers indicated that a fourth district could be added. The Department took a decision to add the fourth district, hence four IPTN's were developed in 2014/15 financial year and they were all completed.
Number of Public Transport Infrastructure projects implemented	1	1	0	-1	There have been delays with the Umtshezi Public Transport Facility, which were caused by land ownership between the Municipality and Ithala Bank. These issues have been sorted, however, it took a lot of time and incurred a lot more costs to resolve them. Such issues also affected the design of the facility, hence the project was not completed in the 2014/15 financial year.



## Programme / Sub-programme: Transport Infrastructure

Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Maintenance					
Number of lane-km of surfaced roads rehabilitated	488	530	172	-358	Due to appeals with the retendering of period contracts the Department had to utilise the 10.1 Delegation. This delayed the commencement of projects resulting in the target not being met
Number of square metres of surfaced roads resealed	2 581 439	2 200 000	1 233 580	-966 420	Due to appeals with the retendering of period contracts the Department had to utilise the 10.1 Delegation. This delayed the commencement of projects resulting in the target not being met
Number of kilometres of gravel road re-gravelled	2 090	2 540	1 655	-885	Numerous projects had to be retendered causing delays in the commencement of work therefore the target was not met
Number of square meters of blacktop patching (including pothole repairs)	349 201	240 000	402 564	162 564	Use of annual blacktop contract as well as requests from the public increased outputs. Work has to be undertaken to address road safety needs
Number of kilometres of gravel roads bladed	91 752	100 000	64 898	-35 102	Breakdown of graders and lack of drivers
Number of kilometres of road infrastructure assessed through road safety audits	-	-	-	-	-
Kilometres maintained using Zibambele Contractors	24 305	26 650	29 040	-2 390	Additional Zibambele contractors were employed resulting in an increased output
Number of weighbridges calibrated to SABS standard	15	15	15	-	Target achieved

**Linking performance with budgets**

Programme/ Sub Programme	2014/15			2013/14		
	Final Ap- propria- tion	Actual Ex- penditure	(Over)/ Under Ex- penditure	Final Ap- propria- tion	Actual Ex- penditure	(Over)/ Under Ex- penditure
	R'000	R'000	R'000	R'000	R'000	R'000
Transport Infrastructure						
Programme Support Infrastructure	260 565	260 565	-	138 153	138 153	-
Infrastructure Planning	37 888	37 888	-	27 496	27 496	-
Infrastructure Design	26 741	26 741	-	19 379	19 379	-
Construction	3 674 556	3 675 620	(1 064)	3 092 799	3 096 671	(3 872)
Maintenance	2 820 705	2 820 705	-	2 709 259	2 709 259	-
Total	6 820 455	6 821 519	(1 064)	5 981 852	5 981 852	(3 872)

**Programme 3: Transport Operations**

Purpose: The purpose of this programme is to plan, regulate and facilitate the provision of integrated land transport services through co-ordination and co-operation with national planning authorities, non-governmental 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 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.

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 Strategic objectives for this programme is an integrated public transport system.

**Recent Outputs**

Sub-programme: Programme Support Transport Operations

Programme Support Transport Operations provides operational support to the programme for the programme manager.

Sub-programme: Public Transport Services

Public Transport Services provides for the management of public transport contracts including the management of the subsidies for the public transport operators, this includes the payment of subsidies for providing services to the community based on an agreement between the government and the operator. This sub-programme also provides for the subsidized dedicated learner transport services. Department of Education identifies the schools where the service is then provided. This also includes the monitoring of operators and subsidies in terms of the national and provincial legislation to ensure safety of commuters and learners.

The implementation of the Public Transport Implementation Strategy, which will provide for the incorporation of all modes of transport into the public transport subsidised contracts, remains one of the priorities of the department. During the year under review, the department developed an incubation programme to create an enabling environment for new emerging operators within the transportation industry to develop into sustainable contracting operators. The department also separated the contracts into sustainable business packages (to assist small and previously disadvantaged operators to compete with established operators), assessed the financial viability of new contracts, and developed and conducted a consultation process with affected operators in areas of operations including all contracted operators, the South African Bus Owners Association, the South African National Taxi Council, as well as the KwaZulu-Natal Bus Council.

The last Integrated Public Transport Network (IPTN) in the Harry Gwala District Municipality commenced in 2014/15, and the department has indicated that this will be completed by 2016/17.

In 2014/15, the department received R168.430 million for the provision of subsidised dedicated learner transport services, as well as monitoring. This has allowed an increase in the number of learners and schools benefiting. The number of learners benefiting has increased from 19 550 in 2013/14 to 21 760 in 2014/15 and schools increased from 206 in 2013/14 to 226 in 2014/15. These increases are in line with the additional needs arising from learners moved from satellite schools and non-viable schools (where schools in remote areas are not performing well, and do not have enough learners, teachers and equipment) and are moved to mainstream schools which are far from their communities, and hence transportation is required.

Although there is progress in the provision of this service, the challenge of high demand for additional dedicated learner transport services still remains, but limited funding makes it difficult to address all the needs, at this stage.



Sub-programme: Transport Safety and Compliance  
Transport Safety and Compliance provides road safety education and awareness to the public including the co-ordination of provincial road safety and compliance initiatives. It includes costs related to safety and awareness programmes such as conducting road shows for children and adults to promote safety awareness and passenger rights and the development of road safety education centres.

### Road safety

At a national level, government has become a signatory to the United Nation pledge for "A Decade of Action

for Road Safety 2011-2020". This pledge commits to reducing and stabilising the level of road traffic deaths around the world by 50 per cent by 2020.

The Decade of Action is a commitment shared by both the National and Provincial Departments of Transport, which focuses on building road safety management capacity, upgrading safety infrastructure, furthering the safety of vehicles, enhancing the behaviour of road safety users, and improving post-road accident care.

### **Strategic objectives, performance indicators, planned targets and actual achievements**

#### Strategic objectives

Programme Name Programme 3: Transport Operations					
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/5	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Integrated land transport systems	-	5	4	-	-

#### Performance indicators

Programme / Sub-programme: Transport Operations					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Public Transport Services					
Number of vehicles subsidised	1 300	1 320	1 313	-7	The Durban Transport claim is a pro-rata payment between the DOT and the ETA. The ratio varies from month to month. This factor is applied to the routes and buses of Durban Transport
Number of routes subsidised	1 700	1 710	1 706	-4	The Durban Transport claim is a pro-rata payment between the DOT and the ETA. The ratio varies from month to month. This factor is applied to the routes and buses of Durban Transport

Programme / Sub-programme: Transport Operations					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Number of vehicle kilometres subsidised	41 765 361	41 888 710	42 408 463	519 753	The Durban Transport claim is a pro-rata payment between the DOT and the ETA. The ratio varies from month to month. This factor is applied to the kilometres of Durban Transport. The total is an estimate only.
Kilometres operated per vehicle	31 685	31 570	32 264	694	Kilometres is an estimate only as it is impossible to predict exactly how the services are going to operate during the course of the year.
Passengers per vehicle	4 216	4 260	4 367	107	The subsidised passenger trips is also an estimate, this is 1.8% higher than anticipated, hence the extra passengers per vehicle
Passengers per trip operated	56	57	57	-	The passengers is an estimate only. There is no way of predicting exactly how many passengers will travel during the course of the year
Staff per vehicle	2	2.1	2.1	-	Target achieved
Number of subsidised passengers	1 044 284	142 680	138 893	-3 787	The passengers is an estimate only. There is no way of predicting exactly how many passengers will travel during the course of the year
Number of unsubsidised passengers	101 190	22 820	19 252	-3 568	The passengers is an estimate only. There is no way of predicting exactly how many passengers will travel during the course of the year
Number of trips subsidised	1 181 862	1 198 870	1 201 485	2 615	This is an estimate only. The actual trips operated will depend on the quality of the service, weather conditions and service disruptions



Programme / Sub-programme: Transport Operations					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Number of trips monitored	934 101	839 210	792 866	-46 344	The Monitoring Firm have been notified of the problem with the lower % monitored. They are busy putting procedures in place to rectify this
Percentage of trips monitored	-	70	67	-3	The Monitoring Firm have been notified of the problem with the lower % monitored. They are busy putting procedures in place to rectify this
Subsidy per passenger	15	14.66	12.47	-2.19	With the decrease in the fuel price the escalation factor decreased which in turn reduced the total subsidy.
Number of subsidised passenger trips	66 259 416	69 800 000	68 946 470	-853 530	The passengers is an estimate only. There is no way of predicting exactly how many passengers will travel during the course of the year
Number of scholars transported	22 045	21 760	24 002	2 242	Target achieved
Number of schools receiving transport services	229	226	257	31	Target achieved
Transport Safety and Compliance					
Number of road safety awareness interventions conducted	5	5	5	-	Target achieved
Number of schools involved in road safety education programmes	956	1 000	1 070	70	Apart from scheduled schools, staff also attend to requests from schools therefore the overachievement.
Undertake goal directed enforcement of public transport (Operation Shanela)	934	550	952	402	Target achieved
Number of school children reached	238 300	249 000	397 880	148 880	The Principal of the school determines on the day of the talk if certain grades or the entire school will participate in the initiative. If it is the entire school, the number of children reached escalates.

Programme / Sub-programme: Transport Operations					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Number of adults reached	43 783	43 800	40 699	-3 101	Target achieved
Number of crossing patrols provided	105	180	180	-	Target achieved

#### Linking performance with budgets

Programme/ Sub Programme	2014/15			2013/14		
	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	22 650	22 650	-	26 311	26 311	-
Public Transport Services	1 131 330	1 131 330	-	1 040 315	1 045 549	(5 234)
Transport Safety and Compliance	73 617	73 617	-	71 273	71 273	-
Total	1 227 597	1 227 597	-	1 143 132	1 143 132	(5 234)

#### Programme 4: Transport Regulation

Purpose: 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 line with the sector specific budget format, namely: Programme Support Regulation, Transport Administration and Licensing, Operator Licence and Permits and Law Enforcement.

The Strategic objective for this programme is to safe road environment through effective law enforcement.

The provision of a safe road environment through the regulation of traffic on public infrastructure, law enforcement and registration and licensing of drivers remains critical.

#### Recent Outputs

Sub-programme: Programme Support Regulation  
Programme Support Regulation provides for operational support for the programme manager.

Sub-programme: Transport Administration and Licensing

Transport Administration and Licensing monitors and controls the registration and licensing of all motor vehicles and to render services regarding the administration of applications in terms of the National Road Traffic Act (Act 93 of 1996). This includes

monitoring collection of revenue from motor vehicle licence fees, miscellaneous fees pertaining to vehicle and driver fitness testing, assistance and advice to motorists and municipal agents. This also includes the monitoring activities of all vehicle testing stations, vehicle registering authorities and driving licence testing centres.

The majority of the department's revenue is derived from motor vehicle licences collected against this sub-programme. There has been a steady annual growth in the vehicle population, now at 1.5 million vehicles, as well as the renewal of motor vehicle licences.

The department unveiled the Driving Schools and Instructors Regulating Framework, which will serve as an enforcement tool for the driving school operators and instructors. The framework aims to transform the Driving Schools and Industry into an organised sector. This will assist in addressing fraud and corruption that has been reported in many of our testing centres.

#### Sub-programme: Operator Licence and Permits

The Operator Licence and Permits sub-programme is responsible for the management, approval and control of registering of transport operators and the processing and issuing of operator licences and permits required in terms of the Licence Road Transport Board and Taxi register. This also includes permits for abnormal loads, sporting events and the transport of hazardous good. The sub-programme also provides for the sitting allowances paid to Board Members for all the statutory boards in the department relating to public transport. Also provides for costs related to Provincial Regulatory Entity.



The department has begun to decentralise the Provincial Regulatory Entity (PRE) offices. Services are now taken to districts as opposed to only at Head Office in Pietermaritzburg. Two offices have officially been launched, one in Empangeni and another in Ladysmith and these have marked, positive impact in the lives of operators.

Sub-programme: Law Enforcement

Law Enforcement maintains law and order for all modes of transport by providing quality traffic policing services

for all modes of transport as stipulated by relevant legislation which also includes overloading control along the provincial road network. The sub-programme also ensures passenger safety and attending to emergencies and accidents as well as provides training to traffic officers.

Traffic police visibility on our roads plays a critical role in preventing accidents. 90 trainees were recruited and are undergoing training at the Traffic Training College.

### **Strategic objectives, performance indicators, planned targets and actual achievements**

#### **Strategic objectives**

Programme 4: Transport Regulation					
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/5	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
A safe road environment through effective law enforcement (number of fatalities per 100 million vehicle kilometres)	9.1	8.5			

#### **Performance indicators**

Programme / Sub-programme: Transport Regulation					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Transport Administration and Licensing					
Number of license compliance inspections executed	304 928	870	869	1	Target achieved
Operator Licence and Permits					
Number of operator permits still to be converted to licences	156	400	7	-393	The number of applications that have been considered by the adjudication in total do not meet the estimated target. The adjudication has discovered that the operators submit the same permit that has been converted thus the number approved will automatically decline applications for conversion to operating licenses.

## Programme / Sub-programme: Transport Regulation

Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
<b>Traffic law enforcement</b>					
Number of speed operations conducted	15 071	18 250	13 465	-4 785	Inclement weather in the form of rain and thunderstorms hampered operations as well as the directorate attended to 3301 motor vehicle accidents, 4346 obstructions, escorted 1676 abnormal loads and effected a number of road closures. In addition to this 129126 man hours were spent on examining of drivers and learners licence at our five provincial driving licence test centres. Time spent on service delivery protests
Number of K78 roadblocks held	2 398	1 100	3 044	1 944	Yearly target achieved due to the compulsory Thursday roadblocks held every Thursday and ITLEC roadblocks held every month throughout the year. Increased roadblocks planned during 3rd and 4th quarter. Measurement will be reviewed in 2015/2016.
Number of hours weighbridges are operated	14 221	15 000	12 692	-2 308	During the entire reporting period technical problems were experienced at all weighing sites of which logs of faults have been recorded at the traffic camera office. Further to this rehabilitation of the road network at the N2 Umdloti and N11 One Tree Hill are contributing factors for the directorate not achieving its target Service delivery protests e.g. Greytown and Midway
Number of road side vehicle check point operations	42 700	36 000	44 002	8 002	As part of the Integrated Traffic Law Enforcement Committee, working together with local traffic, SAPS and provincial traffic police more operations are conducted targeting roadworthiness aspects therefore the directorate has achieved this measurement.
Number of kilometres patrolled	6 201 025	6 090 000	6 496 845	406 845	The vast area that needs to be covered and the increase in abnormal load escorts has resulted in the directorate exceeding this target.
Number of law enforcement officers trained: Diploma courses	-	90	-	-90	Officers are still undergoing training which will only be completed in June 2015



Programme / Sub-programme: Transport Regulation					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
Number of law enforcement officers employed	787	837	846	9	
Number of vehicles checked in road side vehicle check point operations	1 581 611	2 040 000	1 393 393	-646 607	Increase in accidents and obstructions has had a contributing factor towards not achieving the target.
Number of heavy vehicles screened	4 442 215	3 200 000	2 739 314	-460 686	This measurement has not been achieved due the fact that from April to December 2014 the sensors at the Westmead site were damaged.
Number of heavy vehicles weighed	160 573	155 000	143 312	-11 688	During the entire reporting period technical problems were experienced at all weighing sites of which logs of faults have been recorded at the traffic camera office. Further to this, rehabilitation of the road network at the N2 Umdloti and N11 One Tree Hill are contributing factors for not achieving the target.
Number of vehicles which are overloaded	28 120	22 200	25 847	3 647	Improved detection plus the use of screeners increased the output
Number of vehicles detained	5 936	7 370	5 604	-1 766	No control over this measure

#### Linking performance with budgets

Programme/ Sub Programme	2014/15			2013/14		
	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	350	350	-	247	247	-
Transport Admin and Licensing	103 481	103 481	-	100 044	100 044	-
Operator Licence Permit	42 800	42 800	-	43 693	43 693	-
Law Enforcement	555 519	555 519	-	477 334	477 334	-
Total	702 150	702 150	-	621 318	621 318	-

#### Programme 5: Community Based Programme

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. These include the following:

- The strategic planning and monitoring of programmes to further BBEE.

- 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.

The Strategic objectives for this programme are:

- BBBEE and SMME development; and
- Job creation and poverty alleviation.

#### **Recent Outputs**

Sub-programme: Programme Support Community Based

Programme Support Community Based provides overall management and support of the programme.

Sub-programme: Community Development

Community Development manages programmes to bring about the development and empowerment of impoverished communities. These are programmes such as the training of Zibambeke contractors. Zibambeke is a poverty alleviation programme aimed at previously disadvantaged individuals. This sub-programme provides for administration, training and support functions as it is implemented against Transport Infrastructure.

The department contributed to job creation and poverty alleviation through the Zibambeke Roads Maintenance Programme where the focus remained on youth and women empowerment. The department over-achieved on its target in respect of Zibambeke by creating employment opportunities of 44 672. The department aims to maintain this performance over the next five years.

Sub-programme: Innovation and Empowerment

Innovation and Empowerment provides for programmes to develop contractor empowerment as

well as development of new programmes as well as training and learnership programmes. Programmes such as Vukuzakhe Emerging Contractors (VECA), a programme that focuses on wealth and job creation in communities that have been disadvantaged historically. The department committed itself to working together with the Vukuzakhe Emerging Contractors Association (VECA) to fast-track the development of emerging contractors through the provision of training and development support. During the year under review 737 small contractors were trained through the Vukuzakhe Emerging Contractor Development Programme. The department will also direct some investment on the public transport transformation contract to emerging contractors in the coming financial years.

Sub-programme: EPWP Co-ordination and Monitoring

EPWP Co-ordination and Monitoring provides for the management and co-ordination of the Expanded Works Programme (EPWP). EPWP is a labour-intensive programme that focusses on skills development. It is one of the programmes aimed at reducing poverty and unemployment. This programme focusses on skills development. This sub-programme provides for administration, training and support functions as it is implemented against Transport Infrastructure.

The department continued to expand community-based labour-intensive road construction and maintenance programmes, which are aligned with the objectives of EPWP principles. The department created 4 860 501 employment days, equating to 59 235 jobs created in 2014/15. This includes 43 030 for women and 24 458 for youth. This programme has contributed to the alleviation of poverty and created employment opportunities for people who will not usually find employment in the formal sector due to lack of formal education.

### **Strategic objectives, performance indicators, planned targets and actual achievements**

#### **Strategic objectives**

Programme Name Programme 5:Community Based Programme					
Strategic objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/5	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
BBBEE and SMME development <i>Percentage of contracts awarded to BBBEE suppliers</i>	-	75%	385	-	-
Job creation and poverty alleviation <i>Number of FTE's</i>	55,132	23,200	60,000	-	-



**Performance indicators**

Programme / Sub-programme: Community-Based Programme					
Performance Indicator	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target to Actual Achievement for 2014/15	Comment on deviations
EPWP Coordination and Monitoring					
Number of jobs created	55 132	60 000	59 235	-765	Tender delays and appeals therefore not all projects commenced timeously which negatively affected this indicator
Number of employment days created	4 311 896	5 336 000	4 860 501	-475 499	Tender delays and appeals therefore not all projects commenced timeously which negatively affected this indicator
Number of Full-Time Equivalents (FTE's)	18 747	23 200	21 132	-2 068	Tender delays and appeals therefore not all projects commenced timeously which negatively affected this indicator
Number of youth (18-35) employed	15 517	30 000	24 458	-5 542	Tender delays and appeals therefore not all projects commenced timeously which negatively affected this indicator
Number of women employed	43 213	43 850	43 030	-820	Target substantially achieved
Number of persons living with disabilities (PLWD) employed	27	300	17	-283	
Community Development					
Number of Zibambele contractors employed	37 393	41 000	44 672	3 672	Target achieved
Number of small contractors trained through the Vukuzakhe Emerging Contractor Development Programme	202	300	737	437	Due to the large number of projects awarded during the financial year, the number of contractors trained was exceeded

**Linking performance with budgets**

Programme/ Sub Programme	2014/15			2013/14		
	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 Community Based	6 383	6 383	-	5 097	5 097	-
Community Development	10 080	10 080	-	22 304	22 304	-
Innovation and Empowerment	11 668	11 688	-	8 236	8 236	-
EPWP Co-Ordination and Monitoring	13 560	13 560	-	6 838	6 838	-
Total	41 711	41 711	-	42 475	42 475	

## Summary of Financial Information

## Departmental Receipts

	2014/2015			2013/2014		
Departmental Receipts	Estimate	Actual Amount Collected	(Over) Under Col-lection	Estimate	Actual Amount Collected	(Over) Under Col-lection
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Tax Receipts</b>						
- Motor vehicle licences	1 420 000	1 481 126	(61 126)	1 343 000	1 396 323	(53 323)
Sale of goods and services other than capital assets	120 000	126 811	(6 811)	123 728	130 592	(6 864)
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	25 000	43 476	(18 476)	40 000	38 186	1 814
Interest, dividends and rent on land	160	236	(76)	200	202	(2)
Sale of capital assets	2 500	4 389	(1 889)	2 500	4 181	(1 681)
Financial transactions in assets and liabilities	4 500	369	4 131	2 974	7 814	(4 840)
<b>Total</b>	<b>1 572 160</b>	<b>1 656 407</b>	<b>(84 274)</b>	<b>1 561 290</b>	<b>1 577 298</b>	<b>(64 896)</b>

The department collected revenue totalling R1.657 billion in 2014/15, which is higher than the budget by R84.674 million or 5.4 per cent. Revenue in respect of the following categories was higher than budgeted:

- *Motor vehicle licences* was over-collected by R61.128 million or 4.3 per cent 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.
- *Sale of goods and services other than capital assets* was substantially over-collected by R6.809 million or 5.7 per cent. This can be attributed to higher than anticipated 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. Further to these revenue sources are boarding services, commission on PERSAL deductions, as well as course fees related to the Traffic Inspectorate Training College.
- *Fines, penalties and forfeits* was collected at R43.906 million, which was higher than the budget

by a significant R18.906 million or 75.6 per cent. This was due to high collections in respect of traffic fines which are charged on motorists that contravene the Roads Traffic Act.

- *Interest, dividends and rent on land* was over-collected by R76 000 as a result of interest on staff debts being higher than anticipated. This category is difficult to accurately project, due to its uncertain nature.
- *Sale of capital assets* over-collected by R1.888 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.

The over-collection was offset to some extent by an under-collection of R4.133 million against *Transactions in financial assets and liabilities*. This can be attributed to a number of staff debts from previous years being written off as irrecoverable bad debts. This category is also difficult to forecast due to its uncertain nature.



## Programme Expenditure

Programme Name	2014/2015			2013/2014		
	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	249 191	258 972	-	257 304	257 304	-
Transport Infrastructure	6 830 236	6 821 519	(1 061)	5 987 086	5 990 958	(3 872)
Transport Operations	1 227 597	1 227 597	-	1 137 899	1 143 133	(5 234)
Transport Regulation	702 150	702 150	-	621 318	621 318	-
Community Based Programme	41 711	41 711	-	42 474	42 474	-
Total	9 050 885	9 051 949	(1 064)	8 046 081	8 055 187	(9 106)

The over-expenditure of R1.061 million against Programme 2: Transport Infrastructure can be attributed to due to the completion of various sections of construction projects carried over from previous years. The increased costs in construction materials such as cement, fuel, bitumen, etc., also contributed to the over-expenditure

## 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	4 094	4 094	-
Construction Seta	Departmental Agency	Skills Development Levy	Yes	3 844	3 844	-
Public Sector Seta	Departmental Agency	Skills Development Levy	Yes	678	678	-
VECA	Private Enterprise	Empowerment and Development of Emerging Contractors	Yes	900	900	-
Bus Corporations	Private Enterprise	Bus Subsidies	Yes	984 952	984 952	-
Households	Individuals	Claims Against the State, Expropriation of Land, Leave Gratuities and Injury on Duty	Yes	33 963	33 963	-

## 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 788 158 000
Amount transferred	R1 788 158 000
Reasons if amount as per DORA not transferred	-
Amount spent by department	R1 788 158 000
Reasons for funds unspent	-
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	Public Transport Operations Grant
Expected outputs on grant	Refer to Performance Information
Actual outputs achieved	Refer to Performance Information
Amount per amended DORA	R904 783 000
Amount transferred	R904 783 000
Reasons if amount as per DORA not transferred	-
Amount spent by department	R904 783 000
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	R59 443 000
Amount transferred	R59 443 000
Reasons if amount as per DORA not transferred	-
Amount spent by department	R59 443 000
Reasons for funds unspent	-
Monitoring mechanism by the transferring department	Monthly reporting

## Earmarked Funds

## a) Learner Transport

To purpose of Learner Transport is to:

- provide equitable access to quality education for the people of KwaZulu-Natal
- 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	R158 430 000
Amount transferred	-
Reasons if amount as per DORA not transferred	-
Amount spent by department	R142 993 000
Reasons for funds unspent	The procurement process was delayed on emergency (where learners not on the schedule are picked up and transported), satellites and non-viable (where schools are in remote areas) scholar transport services, and the services were only implemented in January 2015
Monitoring mechanism by the transferring department	Monthly reporting

## Donor Funding

No donor funding was received by the Department.

## Capital Investment

Table: Capital Investment

	2014/15			2013/14		
	Final Appropriation R'000	Actual Expenditure R'000	(Over) / Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over) / Under Expenditure R'000
Infrastructure Projects						
New and Replacement Assets	398 083	398 083	-	450 381	450 381	-
Existing Infrastructure Assets						
Upgrades and Additions	2 515 533	2 516 594	(1 061)	1 837 767	1 850 785	(13 018)
Rehabilitation, Renovations and Refurbishments	760 940	760 940	-	798 698	798 698	-
Maintenance and Repairs	2 820 705	2 820 705	-	2 709 667	2 709 667	-
Infrastructure Transfer						
Capital	3 674 556	3 675 617	(1 061)	3 100 174	3 099 864	(13 018)
Current	2 820 705	2 820 705	-	2 709 667	2 709 667	-
Total	6 495 261	6 496 322	(1 061)	5 809 841	5 809 531	(13 018)







## PART C:

### GOVERNANCE





## 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 encompasses processes of identifying, assessing and responding to all kinds of risks.

- Risk Management structural composition

The component has the Senior Manager, deputy Manager, assistant Managers and Compliance officers. The Senior Manager reports directly to the Chief Financial Officer.

- The frameworks

The Department has the Risk Management policy and strategy 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 26 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
	Critical	0	0	0	0	No risks were identified under this category
	Major	2	10	6	4	Outstanding action plans are in progress – agreed dates to implement have passed – these risks are carried forward into the revised risk register.
	Moderate	9	12	7	5	
	Minor	13	3	2	2	
	Insignificant	2	0	0	0	There we no action plans on this category.
	Totals	26	25	15	10	

A formal risk assessment workshop was conducted on the 11 march 2015 to identify risks for the financial year 2015/16 on the following categories: Strategic Risks, Operational risks, Project risks, Information Technology Risks, Fraud Risk and Disaster Risks.

- The Risk Management, Fraud Prevention and 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.

There were three (03) Departmental Risk Management, Fraud Prevention and Corruption Committee meetings held as follow:

Date of meeting	Key Issues
26/05/2014	<ul style="list-style-type: none"> <li>• Presentation of the emerging risks identified -TIRS risk assessment reviewed.</li> <li>• Progress on addressing Internal/External Audit issues</li> <li>• Progress in the implementation of the Risk Mitigations/action plans.</li> <li>• Presentation on the Fraud Prevention Plan</li> </ul>
16/09/2014	<ul style="list-style-type: none"> <li>• Second quarter progress report on the implementation of risk mitigation plans.</li> <li>• Progress made on cases under investigation</li> <li>• Progress made in implementing the recommendation of Internal Audit               <ul style="list-style-type: none"> <li>- Mechanical Plant hire</li> <li>- Learner Transport</li> <li>- Key Financials</li> </ul> </li> </ul>
23/02/2013	<ul style="list-style-type: none"> <li>• Third quarter progress report on the implementation of the risk mitigation plans.</li> <li>• Presentation of the draft risk profile for 2015/16</li> <li>• Progress made on cases under investigation</li> </ul>

- Audit Committee Meetings

There were two (02) audit committee meeting held during the financial year 2014/15.

Date of meeting	Key issues	Resolutions
17/05/2014	Internal Audit report: Presentation on the progress made on the implementation of the approved Internal Audit Operational plan was made. Details relating to 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.	<p>The Department was encouraged to fast-track the appointment of the Senior Manager- Risk Management.</p> <p>The Committee encouraged the department to take issues of the Learner Transport more into consideration.</p>
	Fraud prevention Investigated cases were presented.	Committee advised on huge amount of money and he requested the insight for the closure of this case.
27/02/2015	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 by the end of the financial year.
	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.

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 finalized.

Any reported cases of alleged fraud and corruption are referred to the Provincial Treasury Investigative unit for forensic investigation.

## Minimising conflict of interest

The Department has an electronic gift register which is coordinated centrally by the Office of the Chief Financial Officer (CFO). A gift register is maintained and all officials are encouraged to disclose any gift received by entering it onto this register.

The Department also has an approved Declaration of Interest Policy. This policy clearly outlines requirements of declarations by officials. It includes supply chain management responsibilities with regard to declarations.

Employees are obliged to formally declare in writing to management any possible conflict of interest situations perceived or real, relating to themselves, their family, friends and work colleagues, which may arise at any time and not necessarily confined to normal working hours. A manual register of all declarations is maintained by management and copies of all declarations are filed on the official personal file of the individual declaring. Should any employee be found deviating from the conditions of the policy, in any way, the Department reserves the right to take disciplinary action against such employees.

There are also external declarations of conflict processes in place. With regard to external declarations tenderers declare their conflicts of interest with the submission of tender documents (SBD 4 Conflict of Interest form or equivalent form in CIDB documents.) A route form has been issued internally in the Department, where officials dealing with the tender files declare any conflicts of interest.

The Department had implemented a system of checking the details of tenderers against PERSAL, to identify any persons who are currently employed by the

State. If such persons are identified and they have not declared their interest and submitted their approval for remunerative work outside of the employment of the Department that tender is then passed over.

If an official declares a conflict of interest that official is then excluded from any evaluation or contract award processes.

The Department has an electronic gift register which is co-ordinated centrally by the Office of the Chief Financial Officer. Any gifts received must be properly approved by the relevant authority and entered onto this register.

The Department also has an approved Declaration of Interest Policy which was reviewed, amended and approved during June 2014. This policy clearly outlines requirements of declarations by officials. It includes supply chain management responsibilities with regard to declarations.

Employees are obliged to formally declare in writing to management any possible conflict of interest situation perceived or real, relating to themselves, their family, friends and work colleagues, which may arise at any time, and not necessarily confined to normal working hours. A manual register of all declarations must be maintained by management and copies of all declarations must be filed on the official personal file of the individual declaring.

Should any employee be found deviating from the conditions of the policy, in any way, the Department reserves the right to take disciplinary action against such employees.

## Code of Conduct

The Code of Conduct is an important pillar in the establishment of good governance and ethical conduct of public servants. The Department of Transport adheres to and is bound by the Public Service Code of Conduct. A copy of this code of conduct was issued to all new employees of the Department. Workshops on the Code of Conduct have also been held to ensure an understanding of the content of the document.

Employee found to be deviating from the provisions of the code of conduct the department instituted disciplinary action.

## Health Safety and Environmental Issues

In respect of the Occupational, Health and Safety Act, Act No. 85 of 1993, it is mandatory that the Department complies fully with the Act and its Regulations. This applies to all buildings, offices, facilities, official houses, camp accommodation, building construction and road maintenance sites.

The Department continued to identify numerous issues that affect its operations through extensive investigations, inspections, meetings and consultations with the relevant role players.

Health and Safety and Environmental issues addressed include for example:

- Living conditions in terms of official accommodation, water, electricity, ventilation and fumigation.
- Office environment in terms of buildings, office furniture, natural and artificial ventilation, water, sewage and fumigation.
- Internal employee wellness in terms of noise induced hearing loss, operator/driver wellness and workers general wellness and personal protective clothing.
- The implementation of the new construction regulations with special attention being given to agent/manager/safety officer to be fully in place by August 2015. The new construction regulations

point towards the client (department) now more than ever before in terms of involvement and accountability.

- The provision of the correct equipment, facilities, training and regular safety meetings to ensure a safety educated and confident internal staff compliment.
- Ensuring compliance of the OHS Act and Regulations in terms of external service providers such as consultants and contractors, relating to construction and maintenance sites. This includes all levels of contracting.
- Ensuring that compliance to various legislation is achieved and maintained, in order to preserve and sustain the environment and that the relevant rehabilitation processes are met with special attention to the quarries, borrow pits and road verges.



## 2.5.7 FINANCE PORTFOLIO COMMITTEE

Finance Portfolio Committee Meetings were held on the following dates:

29 July 2014  
20 March 2015

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
30/2014	Learner Transport	<ol style="list-style-type: none"> <li>1. That the Accounting Officer reports by 30 September 2014 on a plan to progressively expand the learner transport over the MTEF and the costs thereof.</li> <li>2. That a further hearing be arranged with the department and Provincial Treasury to consider the above report.</li> <li>3. That Provincial Treasury reports by 31 August 2014 on transfer of the learner transport function and funding from the Department of Education to the Department of Transport.</li> </ol>	<p>Prior to 2011, the provision of subsidized dedicated Learner Transport services was the sole responsibility of the Department of Education. The function was then transferred to the Department of Transport through the signing of a Memorandum of Agreement. In terms of the Memorandum of Agreement, the Department of Transport's responsibility was to plan, design, costing of services and package contracts accordingly. The Department of Education's role is to provide the funding, identify beneficiary schools as well as number of learners that will benefit.</p> <p>The budget allocation for Learner Transport services comes from the Department of Education and is transferred to the Department of Transport over the MTEF period as a movement from Education to Transport. The Department of Transport is unable to expand services over the MTEF period, as there is no additional budget available from either Education or Treasury to increase the level of funding over the MTEF.</p> <p>However the Department of Transport is continuously engaging Departments of Education and Treasury to address these budgetary concerns. In the interim, the Department of Transport has engaged in a preliminary exercise to ascertain the costs of providing learner transport services to the approximately 6,000 schools that are in desperate need of these services. The conclusion of this exercise resulted in an estimated budget allocation of R4.4 billion. In addition the department has recently advertised a tender for a professional to develop a framework and strategy to provide learner transport in the province,.</p> <p>It must be noted that the Department of Transport has already designed the 2<sup>nd</sup> phase of 116 schools, as identified by the Department of Education. However, discussions with Departments of Education &amp; Treasury have indicated that there is insufficient funding to accommodate the demand.</p>	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
31/2014	Underfunding of the Department	That Provincial Treasury reports by 30 September 2014 on the provision of additional funding to the Department of Transport in the 2014/2015 adjustments budget to cover the projected over-expenditure on the PTOG and to assist the department in alleviating its spending pressures mentioned above.	<p>The department will not be receiving additional funding from Provincial Treasury to cover the expenditure pressures associated with the Public Transport Operations Grant.</p> <p>The department received a letter from Provincial Treasury dated 9<sup>th</sup> of September 2014 requesting that the department reprioritise funds from within its budget to absorb expenditure pressures related to the Public Transport Operations Grant costs seeing that the department was not going to receive any additional funding from National Department of Transport nor National Treasury.</p> <p>The department was informed that the Public Transport Operations Grant is a Schedule 4 or Supplementary Grant to Provinces and therefore any shortfall should be funded from the Provincial Department's own budget.</p> <p>The department subsequently prepared a request for a virement of funds of R92.046 million to increase the PTOG allocation to cover the expenditure pressure using funds from Transport Infrastructure particularly Maintenance and Transport Regulation. Provincial Treasury approved the virement on the 6<sup>th</sup> of October 2014.</p> <p>This movement of funds will likely impact on service delivery as the department will have to implement plans to sanction projects to ensure that the department remains within its budget allocation at the end of the financial year.</p>	
39/2014	Forensic Investigation in all Departments	That Provincial Treasury provides the lists referred to above to the various Portfolio Committees for follow-up of progress with investigations and implementation of recommendations	A schedule was submitted to the Finance Portfolio Committee on 2 October 2014.	



Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
42/2014 Transversal Resolutions	Cost Cutting Measures	That Departments and Public Entities report by 30 November 2014 on measures that have been put in place to affect the cost-cutting measures listed above and the amount of money that has been saved on their budgets through these cost-cutting measures.	<ul style="list-style-type: none"> <li>The department developed and circulated to all its employees a Departmental Cost-Cutting Measures Circular which incorporating both Provincial and National Treasury's Cost Cutting Measures. (Attached as Annexure C)</li> <li>An internal moratorium has been placed on the filling of vacant posts in the department. Only vacant positions identified as critical service delivery posts are being advertised and filled. The proposed organisational structure will reviewed with the intention to eliminate non-essential posts.</li> <li>The department has also reduced its use of consultants (except those required for Infrastructure projects). Consultants will only be employed after a gap analysis has been conducted. The gap analysis must confirm that the department does not have the requisite skills or resources to perform the assignment in question. The consultants may only be appointed by the HOD, based on the submission of a business case, supported by the Consultants Committee.</li> <li>With regard to travel and related costs: <ul style="list-style-type: none"> <li>Only essential trips to be undertaken. Officials to travel together unless absolutely unavoidable. No more than 3 officials may travel to the same official engagement outside of the Province, except if approved by the HOD.</li> <li>Where there are one-day meetings in other provinces, officials must travel there and back on the same day (where possible). All trips to be rationalised to reduce costs and staff going to the same municipal area must travel together unless unavoidable</li> <li>Officials may only utilise lowest cost economy class air flights. Business class flights may only be utilised by the HOD and MEC. First class travel may not be utilised;</li> </ul> </li> </ul>	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
			<ul style="list-style-type: none"> <li>o The lowest cost accommodation in the relevant area to be selected from the travel booking system, Domestic hotel accommodation may not exceed R1,300 per night including dinner, breakfast and parking,</li> <li>o Car hire is limited to Group A for staff on salary level 1 to 12, Group B for SMS members and Group C for the HOD.</li> <li>o International travel to be limited to meetings that are critical and the number of people attending must be limited. Motor vehicle claims to be scrutinised to ensure that kilometre claims are the actual distance travelled and are not inflated. Kilometre controls must be implemented on travelling. Exceptions must be approved by the HOD.</li> <li>• Advertisements for vacancies to be placed in bulk and with only the Job Title, the Remuneration Details and Duties/Key Performance Areas listed, the detailed job requirements to be provided on the departmental website or supplied to interested candidates. The Note to Applicants to include a clause that requires any prospective candidate wishing to apply for a post to obtain the detailed job requirements and for the applicant to note that shortlisting will be conducted based on the full job requirements;</li> <li>• With regard to Catering and Events: <ul style="list-style-type: none"> <li>o The department may not provide catering for internal meetings;</li> <li>o No alcoholic beverages may be purchased;</li> <li>o Team building exercises, social functions and year-end functions may not be financed by the department or any suppliers or sponsors;</li> <li>o No promotional items such as shirts, caps, bags etc. to be purchased. Employees must pay the full cost for any promotional or corporate branded items given to them, including items for sports day etc.;</li> </ul> </li> </ul>	



Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
78/2014 Transversal Resolutions	Revised Organograms	<ol style="list-style-type: none"> <li>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 functioning of the department.</li> <li>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</li> </ol>	<ul style="list-style-type: none"> <li>External meetings, workshops and events to be held in government facilities instead of private venues (exceptions to be approved by Provincial Treasury). Use of marquees to only be considered where such events could not be held in municipal halls, FET College facilities, etc</li> <li>No more than 24 events (2 per month) to be scheduled per year. All event to be co-ordinated by the Office of the GM Communications from 1 July 2014 to ensure consistent message and cost per event. Events to target a minimum of 3500 community members and to be limited to a maximum of R1 million per event (including the provision of transportation). For events where 1500 to 2000 community members attend, these events may not cost more than R500 000 – R700 000 per event).</li> <li>No bottled water may be procured for meetings, etc, except when not doing so will pose a health risk.</li> </ul> <ol style="list-style-type: none"> <li>The top three tiers (Senior Management Service) of the reviewed organogram have been approved by the DPSA and the Department is prioritising posts of Senior Management Service for advertising and filling in terms of their criticalness. However some of the Senior Management Service posts are awaiting finalisation of phase 2 of the review of the organisational structure before they can be submitted for job evaluation.</li> <li>The 2<sup>nd</sup> phase of the review of the Department's organisational structure (posts on levels 1 to 12) is nearing completion and has been reviewed within the limits of the budgets that can be expected to be received in the MTEF.</li> </ol>	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
79/2014 Transversal Resolutions	Maintenance of State	That the Accounting Officers, in line with the Government Immovable Assets Management Act (GIAMA), 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>In terms of maintenance requirements for the Department, approximately R25 million has been set aside for the 2015/2016 financial year and R27million for the 2016/2017 financial year.</p> <p>In 2011, the Department of Public Works appointed Aurecon SA on behalf of the Department to undertake rapid condition assessments on all its facilities as well as the compilation of the Departments first User Asset Management Plan (U-AMP) for the 2012/2013 financial year</p> <p>In dealing with the backlog maintenance as well as current maintenance issues, the Department has elicited the services of Public Works to assist and the Department is presently finalising its draft Infrastructure Plan Management Program (IPMP) for the 2015/2016 and 2016/2017 financial year</p>	



# SCOPA RESOLUTIONS

SCOPA Meetings were held on the following dates:

7 November 2015  
24 February 2015

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
30/2014	Qualification paragraphs	That the Accounting Officer reports by 31 January 2015 on progress made in addressing the qualification findings, particularly the implementation of the introduction of the electronic SCM and invoice tracking system to account for accurate recording of commitments and to give the department an accurate record of the value of accruals for work performed but not yet paid for	<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>The Internal Control and Risk Management unit monitors the implementation of the action plans identified in this Audit Improvement Strategy and the progress in implementing these action plans is reviewed by the Auditor-General on a quarterly basis. In addition the Internal Control and Risk Management Unit conducts regular compliance audits to ensure that all internal control measures are effectively implemented throughout the Department.</p> <p>From the audit findings of the Auditor-General on Commitments and Accruals the following has been done to address the audit findings.</p> <ul style="list-style-type: none"> <li>The department commenced with phase 1 of the development of a SCM Workflow System during 2014. Phase 1 of the system manages the procurement process and the issuing of orders to suppliers, this is a crucial stage in identifying Commitments due by the department.</li> <li>The development of Phase 1 of the SCM Workflow System has been completed and the system is now in the testing phase. Initial training has been conducted to officials testing the system. Amendments resulting from testing are currently being finalised and it is anticipated that, roll out and user training will commence during March 2015.</li> </ul>	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
			<ul style="list-style-type: none"> <li>The department commenced with the phase 2 of the project, during the month of September 2014. Phase 2 of the system, manages the delivery of goods and services and will identify Accruals from delivery of goods and services to the department, track the receipt and payment of invoices and update the balance of the Commitment by the department.</li> <li>The analysis and documenting of the required processes, specific to the department's requirements, for the confirmation of receipt of goods and services, and for the receipt of invoices are being developed. This process included consultation with relevant departmental employees from Head Office and Regions. This process will produce a system specification for approval of the department.</li> <li>The development of the system will commence once the department has approved the system specification, the required workflow processes will then be developed within the system with completion anticipated during March 2015.</li> <li>Testing of the system will commence during March 2015 and it is expected that Phase 2 of the system will go live from 1 May 2015.</li> </ul> <p>Currently the department has a manual process in place to collect information in relation to commitments and accruals with testing of the accuracy being done every quarter to ensure compliance. Training has also been conducted throughout the department on minimum requirements for the criteria of identifying and report on Accruals and Commitments and this is still ongoing</p>	



Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
31/2014	Predetermined Objectives	<p>(1) That the Accounting Officer reports by 31 January 2015 on progress made in ensuring that standard operating procedures are implemented and validation of reported achievements is performed on a quarterly basis to ensure that the above findings are addressed and that no further findings on predetermined objectives occur in the next audit.</p> <p>(2) That the above report also specifies the consequences which will be implemented by the Accounting Officer for those Senior Managers who do not meet their responsibilities in ensuring that these findings are addressed</p>	<p>The Department of Transport has in place a policy for Monitoring, Evaluation and Reporting, and Procedure Manuals for all its five programmes and each Performance Measure.</p> <p>The procedure manuals amongst other things detail the evidence and responsible persons for each type of evidence, namely the preparer, the reviewer and the validation thereof, for each performance measure.</p> <p>The department has undertaken workshops explaining the policy and procedure manuals with all staff from all programmes.</p> <p>Over and above the validation that is assigned to Responsibility Managers in terms of the procedure manual which must happen monthly for every performance measure reported to the directorate Monitoring and Evaluation, the personnel from Monitoring and Evaluation sample various programmes within Head Office, Cost Centres and Regions for further validation of information at the end of each Quarter. This process commenced in April 2014 and has become standard procedure for the Monitoring and Evaluation component.</p> <p>The quarterly performance report is presented to and discussed at management meetings of the department so as to manage and improve performance.</p>	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
32/2014	Findings on Compliance with Laws and Regulations	<p>(1) That the Accounting Officer reports by 31 January 2015 on progress with implementation of sufficient controls to track that invoices are paid within 30 days of receipt and that the SCM checklist is aligned to the applicable CIDB regulations to ensure that the above findings are addressed and that no further findings on compliance with laws and regulations occur in the next audit.</p> <p>(2) That the above report also specifies the consequences which will be implemented by the Accounting Officer for those Senior Managers who do not meet their responsibilities in ensuring that these findings are addressed</p>	<p>(a) <u>Registration with CIDB</u></p> <p>The tender evaluation report checklist has been updated to include advertising on the CIDB system, this initiates the process of ultimately updating the contract register.</p> <p>The department has appointed Programme Managers who have developed a Programme Implementation and Management Plan (PIMP) document which sets out all processes to be followed in implementing Infrastructure projects from first identification through all the various stages to project close-out. This PIMP includes processes for the finalisation of the contract and publication onto the CIDB Contracts Register. The PIMP has been approved by the Head of Department and is in the process of being implemented for all infrastructure projects.</p> <p>(b) <u>Payment within 30 days</u></p> <p>In order to address the payment of invoices within 30 days and the management of invoices on hand, the department will be implementing Phase 2 of the SCM Workflow System (Invoice Tracking). The progress on development of this phase of the system is discussed in more detail in the response to Resolution 30/2014.</p> <p>Taking into consideration the complex nature of the department with the SCM and Payments processes being decentralised and the volume of payment transactions, a huge emphasis has been made on payments within 30 days with reviews being performed on compliance and communicated with relevant responsibility managers found not to be complying.</p>	



Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
45/2014 Transversal Resolutions	Irregular expenditure, non-compliance with Supply Chain Management processes and Non-Payment of Performance Bonuses to Senior Managers	<p>(1) That Provincial Treasury continues to coordinate the process of monitoring the regularisation of irregular expenditure in terms of the processes set out in Annexure "A" and Annexure "B" attached to the National Treasury Practice Note No. 4 of 2008/2009 and the evaluation criteria used by Provincial Treasury.</p> <p>(2) That the Accountant-General reports again by 30 March 2015 on progress made in regularisation of irregular expenditure incurred in the 2013/2014 financial year and amounts outstanding 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 2015 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 2015 on -</p>	<p>(5) (a) Each case of irregular expenditure is investigated and recommendations are made from the findings of this investigation. Provincial Treasury assists with the analysis of each case to ensure that the appropriate action is taken on a case by case basis.</p> <p>(5) (b) Where the investigation recommends that recovery is made, the department pursues the recovery of the funds from the guilty party.</p> <p>(5) (c) Where disciplinary action is recommended by the investigation report, the Responsibility Manager in charge of the relevant official is tasked with implementing the required disciplinary action and the status of this disciplinary action is monitored on an ongoing basis by the Internal Control and Risk Management Component.</p> <p>(5) (d) The department notes the comments of the committee. For the 2013-14 financial year the department put measures in place to ensure that irregular expenditure was properly disclosed in the Annual Financial Statements by requesting responsibility managers to report on a monthly basis and ensured that all cases related to irregular expenditure were disclosed, supported and reported accordingly to Provincial Treasury and to the office of the Auditor-General</p> <p>(6) No irregular expenditure relates to month to month extensions</p>	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
			<p>(6) What disciplinary steps have been taken for financial misconduct against those officials responsible for the irregular expenditure?</p> <p>(7) Recovery of money from those responsible in cases where it has been determined in consultation with Provincial Treasury that further investigation and disciplinary action is required.</p> <p>(8) If no disciplinary steps can be taken, the Accounting Officer or Accounting Authority must provide reasons for this.</p> <p>(9) Measures 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>(10) That with regard to month-to-month contracts, the Accounting Officers and Accounting Authorities report by 31 January 2015 on irregular expenditure incurred due to extension of month to month contracts.</p> <p>(11) That Provincial Treasury report by 31 January 2015 on what steps 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>	



Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
46/2014 Transversal Resolutions	2013/2014 Fruitless and wasteful Expenditure	<p>That the Accounting Officers report by 31 January 2015 on the following:</p> <p>(i) The reasons for the fruitless and wasteful expenditure being incurred in the 2013/2014 financial year.</p> <p>(ii) Action taken against those officials responsible for incurring the fruitless and wasteful expenditure.</p> <p>(iii) Recovery of money from those responsible and</p> <p>(iv) Measures put in place to ensure that fruitless and wasteful expenditure does not occur in future.</p>	<p>i) The reasons for the fruitless and wasteful expenditure being incurred in the 2013/2014 financial year</p> <ul style="list-style-type: none"> <li>During the 2005/06 financial year a balance was due on the department's PAYE account with the South African Revenue Services (SARS), relating to manual salary payments made outside of the transversal salary system (Persal). In accordance with the department's records this debt was settled by means of a manual payment.</li> <li>During the finalisation of the 2013/14 financial year taxation reconciliation, it was discovered and confirmed that this payment was received by SARS after the deadline resulting in a penalty of R72, 831.73 being raised against the department.</li> <li>As a result this penalty incurred was recorded as Fruitless and Wasteful Expenditure, as it could have been avoided if the payment had been made on time.</li> </ul> <p>ii) Action taken against those officials responsible for incurring the fruitless and wasteful expenditure.</p> <ul style="list-style-type: none"> <li>Due to the time elapsed since the 2005/06 financial year, it is not possible to identify between the department and Treasury, who was at fault for the delay in this payment. It was thus recommended that the Fruitless and Wasteful Expenditure in the amount of R72, 831.73 be condoned.</li> </ul> <p>iii) Recovery of money from those responsible</p> <ul style="list-style-type: none"> <li>It is recommended that the Fruitless and Wasteful Expenditure in the amount of R72, 831.73 be condoned</li> </ul> <p>iv) Measures put in place to ensure that fruitless and wasteful expenditure does not occur in future.</p> <ul style="list-style-type: none"> <li>Tax Pay-over's are now being processed on SARS E filing</li> <li>Salary payments are no longer being processed on BAS without Provincial Treasury approval reducing manual to only those approvals.</li> </ul> <p>The Salary Income Tax Account is cleared very month where manual payments have been processed.</p>	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
47/2014 Transversal Resolutions	Findings of the Auditor-General on Information Technology	<p>(1) The Accounting Officer in the Department of the Premier be requested to report by 31 January 2015 on the following matters –</p> <p>(i) Progress that has been made in the province to adapt and implement the national IT Governance Framework which was approved by the DPSA.</p> <p>(ii) 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.</p> <p>(iii) The plan for support and training to be provided to departments to implement the framework.</p> <p>(iv) How the province will address the lack of a strategic plan for purchase of IT systems in all departments.</p> <p>(2) That the Accounting Officer on the Department of the Premier 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.</p> <p>(3) That the Portfolio Committees be requested to monitor Departments' action plans to address audit findings on Information Technology on a monthly basis.</p> <p>That special meeting of the Public Accounts Standing Committee be convened in March 2015 to review progress in terms of the above resolutions</p>	<ul style="list-style-type: none"> <li>The Draft ICT Strategic Plan aligned to the Business Strategy has been presented to the ICT Steering and Architecture Committee and the ICT Strategic Committee. Such has been ratified by the respective Committees and is been submitted for approval by the HOD for signature and approval.</li> <li>A Plan has been developed for the full implementation of the COBIT and ITIL approved policies and procedures during the 2015/16 financial year.</li> </ul> <p>Progress made by the department in respect of implementing the National IT Governance Framework as approved by the DPSA, was sent to Standing Committee on Public Accounts (SCOPA) on 1 February 2015</p>	



Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
48/2014 Transversal Resolutions	Material misstatements and omissions in submitted Annual Financial Statements	<p>(1) That in order to comply 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.</p> <p>(2) That all Accounting Officers report by 31 January 2015 on action taken in terms of resolution (1) above to resolve this audit issue and that a further hearing of the Public Accounts Standing Committee be convened to consider the responses and any further action to be taken</p>	<p>(1) The department acknowledges the resolutions of the committee and has ensured that Interim and Annual Financial Statements are prepared and submitted on time as required by Provincial and National Treasury</p> <ul style="list-style-type: none"> <li>The department regularly prepares financial statements on a quarterly basis and these are submitted to Provincial Treasury for review;</li> <li>The interim financial statements for the 6 months ending 30 September 2014 are currently being audited by the Internal Audit Unit, who are focussing on the fair presentation of accruals and commitments</li> <li>In addition the department is collecting the information required to prepare key financial disclosures on a monthly basis from each of the components within the department. Reviews are then performed on these disclosures and training is provided where errors are identified</li> </ul>	
49/2014 Transversal Resolutions	Human Resources Matters – Filling of Key Vacancies	<p>(1) That the Accounting Officers of the relevant departments report by 31 January 2015 on the following matters:</p> <p>(i) A list of vacant senior management posts in their respective departments.</p> <p>(ii) What action is being taken in the departments and public entities to address the findings of the Auditor-General with regard to the filling of vacancies in senior management positions?</p> <p>(iii) 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>1 (i) A list of senior management vacant posts was submitted to SCOPA submitted 1 February 2015</p> <p>1 (ii) Six of the vacant Senior Management Service posts on the Departments approved Structure are in the process / have been advertised and are in the various stages of filling (e.g. short-listing / interviews / personnel suitability checks). The remaining 7 posts will be advertised and filled after the finalisation of phase 2 of review of the organisational structure as they can only be submitted for job evaluation upon finalisation of the review of the structure.</p> <p>1 (iii) 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. The revised organisational structure is in line with Service Delivery requirements.</p>	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
50/2014 Transversal Resolutions		<p>(2) That the Premier be requested to address the Committee at a special meeting in February 2015 to discuss the filling of vacant Accounting Officer posts and general findings of the Auditor-General on filling of key vacant posts in departments and public entities, as set out above.</p> <p>(3) That the Portfolio Committees be requested to monitor filling of all vacant funded posts in departments, especially key positions and senior management positions.</p>		
	Reports on Forensic and other Investigations	<p>(1) That copies of the reports on the investigations completed during the 2013/2014 financial year be provided to the committee by 31 January 2015.</p> <p>(2) That the Accounting Officers of the departments and public entities where investigations were completed during the 2013/2014 financial year report by 31 January 2015 on -</p> <ul style="list-style-type: none"> <li>- action taken against officials and service providers to implement the recommendations contained in the reports on their completed investigations</li> <li>- disciplinary cases that may have been initiated</li> <li>- criminal cases that may have been opened</li> <li>- action taken as a result of findings of disciplinary cases and</li> <li>- recovery of money by way of civil proceedings</li> </ul>	<p>(1)&amp;(2) The reports for the following investigations were finalised during the 2013/14 financial year:</p> <ul style="list-style-type: none"> <li>• Case FR05/2012/B</li> <li>• Case FR29/2012</li> <li>• Case FR26/2012</li> </ul> <p>All forensic cases currently being investigated in the Department, are forwarded to the Provincial Treasury for further investigation.</p>	



Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
		<p>(3) Where copies of the reports are not released to provide reasons duly substantiating the grounds for refusal in law, taking into account the protection offered by in camera proceedings and providing timeframes for the release of the reports.</p> <p>(4) That the Accounting Officers provide the Internal Audit Unit with a detailed list of all other investigations being conducted internally or by other relevant authorities within their departments or public entities under the control of the departments.</p>		
52/2014 Transversal Resolutions	Audit Finding regressions	<p>That the Accounting Officers and Accounting Authorities of departments and entities which experienced any regression in audit findings i.e., qualification items or any other matters, predetermined objectives or compliance with laws and regulations, report by 31 January 2015 on:</p> <p>(i) The reasons for the regressions.</p> <p>(ii) What action is being taken to resolve those matters going forward?</p> <p>(iii) What action has been taken against the Senior Managers responsible for those findings?</p>	<p>(i) The audit report of the department reflected a regression as a result of errors identified in the disclosure of the Commitments for Capital Expenditure, Accruals for outstanding payments not yet paid at year end, and the Reliability of reported Performance Information.</p> <p>(ii) The actions taken to resolve regressions in audit findings are as follows: -</p> <p>For Commitments and Accruals the following has been done to address the regression.</p> <ul style="list-style-type: none"> <li>• The department commenced with the project to develop a SCM Workflow System to assist in the management of commitments, accruals and payment of supplier invoices</li> <li>○ Phase 1 of the system manages the procurement process and the issuing of orders to suppliers, this is a crucial stage in identifying Commitments by the department.</li> <li>○ Phase 2 of the system, manages the delivery of goods and services and will identify Accruals from delivery of goods and services to the department, track the receipt and payment of invoices and update the balance of the Commitment by the department.</li> <li>○ The progress on development of this System was discussed in more detail in Resolution 30/2014.</li> </ul>	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
			<ul style="list-style-type: none"> <li>Currently the department has a manual process in place to collect information in relation to commitments and accruals with testing of the accuracy being done every quarter to ensure compliance.</li> <li>Training has also been conducted throughout the department on minimum requirements for the criteria of identifying and report on Accruals and Commitments and this is still ongoing</li> <li>The quality of the data collated for the preparation of the 2<sup>nd</sup> and 3<sup>rd</sup> Quarter Interim Financial Statements has improved however there are still localised inconsistencies that are being identified in the review process and these errors are being dealt with through training.</li> </ul>	
			<p>For the Reliability of reported Performance Information.</p> <ul style="list-style-type: none"> <li>The regression occurred as a result of a failure to adhere to the provisions of the policy for performance information monitoring and evaluation</li> <li>In order to resolve this matter the department has undertaken workshops explaining the policy and procedure manuals with all staff from all programmes.</li> <li>The Monitoring and Evaluation unit is performing validations of the performance information submitted by all Responsibility Managers.</li> <li>An approach has been adopted where no data is accepted into the quarterly performance report unless it has been properly validated and there is supporting documentation available.</li> </ul>	



Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
53/2014 Transversal Resolutions	Performance Agreements for Accounting Officer and Senior Management	<p>That the MECs of the departments be requested to report by 31 January 2015 on:</p> <p>(i) 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.</p> <p>(ii) Do 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?</p> <p>(iii) Do performance agreement 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>(i) The Accounting Officer and all Senior Management Service Members have Performance Agreements in place.</p> <p>(ii) The Department utilises the Performance Agreement template issued by the Department of Public Service and Administration and therefore, the Accounting Officer and Senior Management Service members have under item 8 (Management of performance outcomes) of the Performance Agreement made provision for the consequences of non-performance or under-performance, which is dealt with in terms of Chapter 4 of the SMS Handbook.</p> <p>(iii) The Department utilises the DPSA Performance Agreement template and provision is made under item 8 (Management of performance outcomes) of the Performance Agreement, chapter 6 of the SMS Handbook makes provision for the Accountability of SMS members.</p>	
54/2014 Transversal Resolutions	Expenditure on Consultants	<p>That the Accounting Officers report by 31 January 2015 on the following:</p> <p>(i) A breakdown of amounts spent in the 2013/2014 financial year on consultants.</p> <p>(ii) The reasons for the engagement of the consultants.</p> <p>(iii) The period of time worked.</p> <p>(iv) The owner name and company name of each consultant and cost of each.</p> <p>(v) Whether the department has any measures in place to ensure that skills transfer takes place between consultants and existing staff.</p>	<p>For items I IIII was sent to Standing Committee on Public Accounts (SCOPA) on 1 February 2015</p> <p>(vi) The department has a policy in place for the appointment and utilisation of consultants. Clause 6.1.13 of this policy provides for the inclusion in the consultant's contract a clause that ensures that skills transfer happens from the consultants to the departmental staff. Further the consultants contract must indicate the criteria and measurable indicators on which skills transfer can be assessed and reported on.</p> <p>The department is currently experiencing staff shortages due to a number of posts not being filled. In these cases it will be impossible to enforce such a clause for the transfer of skills, however in cases where there is staff available to be mentored and trained by the consultants the consultants committee is will monitor that this is occurring.</p>	(v)

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
55/2014 Transversal Resolutions	Government Employees Performing Private Remunerative Work	<p>That the Accounting Officers of all departments report by 31 January 2015 on the following:</p> <p>(i) All instances of unauthorised private remunerative work identified by the Auditor-General in the 2013/2014 audit, whether these cases have all been properly investigated, disciplinary action taken and recovery of remuneration earned without required permission.</p> <p>(ii) What steps are taken to -</p> <ul style="list-style-type: none"> <li>- Ensure public servants are completing SBD4 declaration forms.</li> <li>- Check these forms when awarding tenders/contracts.</li> <li>- Ensure that public servants have authority to perform private remunerative work.</li> </ul> <p>(iii) The reasons why public servants conducting business without authority were not detected.</p>	<p>(i) Responses were submitted to SCOPA on 1 February 2015</p> <p>(ii) The department requires the SBD4 form to be submitted for all procurements in excess of R30,000. In addition the department: -</p> <ul style="list-style-type: none"> <li>• Augmented the SBD4 declaration of interest form to compel bidders to submit the names of their directors / trustees / shareholders, their individual identity numbers, personal tax reference and state employee / persal numbers as part of their bid.</li> <li>• Required that the SBD4 declaration of interest form be included in written price quotations, advertised competitive bids, limited bids and proposals.</li> <li>• Issued a procedure for the conducting of PERSAL checks on the information provided.</li> <li>• Required that where an official has declared an interest, proof must be provided of authority to do remunerative work outside of the public service. The authority is confirmed with the relevant department before proceeding with evaluation of the bid.</li> </ul> <p>(iii) Requires that if an official is found to have not declared an interest, the bid is disqualified. The matter is reported to Labour Relations and disciplinary action is instituted. This is provided for in terms of Departmental Policy on Remunerative Work Outside of Public Service.</p> <p>(iii) Of the 17 cases identified by the Auditor-General only two related to transactions with the Department of Transport. This would imply that the controls implemented by the department are working as required. Some complications relating to the identification of officials performing unauthorised RWOPS are:</p> <ul style="list-style-type: none"> <li>• The department does not have control over the awarding of contracts in other departments</li> <li>• Not all departments implement the same controls</li> <li>• False declarations or no declarations made on the SBD4 form are difficult to detect.</li> <li>• The electronic monitoring systems utilized by the Auditor General are not freely available to Departments which makes pro-active monitoring of RWOPS authorities difficult</li> </ul>	



Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
56/2014 Transversal Resolutions	Unfunded events approved by the Major events sub-committee of the executive council	That the Accounting Officers do not undertake any event that is not provided for within their budgets and that should such events be held, resulting in over-expenditure, such over-expenditure will constitute unauthorised expenditure and disciplinary steps for financial misconduct against Accounting Officers who make or permit such expenditure must be undertaken by the relevant MEC.	The Department confirms that it will not undertake any event not catered for in its budget	
59/2014 Transversal Resolutions	Implementation of Audit Recommendations accepted by management	<p>That the Accounting Officers of the departments and Accounting Authorities of Public Entities report by 31 January 2015 on –</p> <p>(i) Details of the Auditor-General's recommendations that they agreed to implement in the 2013/2014 financial year.</p> <p>(ii) Which of these were implemented and which were not implemented.</p> <p>(iii) Details of the recommendations that had been agreed to for implementation in the 2014/2015 financial year.</p> <p>(iv) What action was being taken to ensure that all recommendations were implemented in the 2014/2015 financial year?</p>	<p>(i) The audit improvement plan for implementation during 2013/14 (2012/13 audit) was developed, implemented and monitored on an on-going basis, a copy is attached.</p> <p>(ii) The status of each action plan is reflected in the attached schedule, along with the assessment by the Auditor-General (The schedule was submitted to SCOPA on 1 February 2015)</p> <p>(iii) The audit improvement plan for implementation during 2014/15 (2013/14 audit) is attached (The schedule was submitted to SCOPA on 1 February 2015)</p> <p>(iv) The actions required have been discussed with each manager responsible to ensure they understand what is required. Monitoring of the implementation of these actions is then conducted by the Internal Control Component and the progress in implementing the action plans is reviewed in conjunction with the Auditor-General on a quarterly basis.</p>	

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
60/2014 Transversal Resolutions	Provision for Accruals in Department Budgets	<p>(1) That the Accounting Officer of the relevant departments where the matter of accruals is raised in the 2014/2015 report of the Auditor-General be requested to report on:</p> <ul style="list-style-type: none"> <li>• The amount that is recorded in the annual financial statements for accruals.</li> <li>• Whether provision is made in the 2014/2015 budget to pay accruals</li> <li>• If no provision is made in the budget to pay accruals, how will the impact on the budget be managed.</li> <li>• The amount paid by the department in interest on overdue invoices.</li> </ul> <p>(2) That this matter be referred to the Finance Portfolio Committee for follow-up during the 2015/2016 budget hearings.</p>	<ul style="list-style-type: none"> <li>• The department recorded accruals in the amount of R847 million for the 2013/14 financial year.</li> <li>• Provision was made for the payment of accruals in the cash flow for April, when the department compiled its cash flows for the 2014/15 financial year.</li> <li>• No interest has been paid by department during the 2014/15 financial year.</li> </ul>	
64/2014 Transversal Resolutions	2013/2014 Unauthorised Expenditure of R9 106 000	That in terms of Section 34(1) of the Public Finance Management Act the unauthorised expenditure disclosed in the 2013/2014 annual financial statements of the Department of Transport amounting to R9 106 000 be not approved as a direct charge against the Revenue Fund and that a first charge be effected against the Department's budgets in the 2015/16 MTEF period over two years.	The department acknowledges and notes the resolution of the Committee.	



### Prior modifications to audit reports

The Department received a qualified opinion in the audit of the financial year 31 March 2014.

The basis for the qualified opinion is detailed as follows:

Nature of Qualification, disclaimer, Adverse opinion and matters of non - compliance	Financial year in Which it first arose	Progress made in clearing/ resolving the matter
QUALIFICATION: Commitments- Capital Expenditure The Department did not have adequate systems in place to properly account for amounts disclosed as capital expenditure and the extent of understatement could not be determined	2013/2014	Monthly reviews were conducted. Phase 1 of electronic invoice and order tracking system being tested.
QUALIFICATION: Accruals The inadequate systems of recording payments for goods and services received but not paid resulted in an undeterminable amount of understatement of the Accruals figure reflected in the Annual Financial Statement	2013/2014	Phase 1 of electronic invoice and order tracking system being tested. Templates to identify undisclosed accruals implemented
ADVERSE OPINION: Pre – determined objectives Reporting The Department received a material finding in respect of the reliability of performance information specifically in respect of the assertions of validity, accuracy and completeness of information	2013/2014	Standard operating procedures developed and implemented. Quarterly review of evidence.
NON COMPLIANCE WITH LEGISLATION:-		
1. Annual Financial Statements - Uncorrected material misstatements	2013/2014	Monthly reviews being performed
2. Procurement and contract management Construction projects were not always registered with CIDB	2013/2014	SCM Checklist updated with all SCM regulations
3. Human resource management and compensation Funded vacant posts were not filled within 12 months	2013/2014	Managers prioritizing the filling of vacancies
4. Expenditure management Payments were not settled within 30 days	2013/2014	The invoice tracking system has been developed and being tested.
5. Revenue Management Ineffective collection of revenue	2013/2014	

The Department developed an audit improvement strategy document, in which all audit findings for each Financial Year are clearly recorded with implementable action plans containing target dates for resolution. This audit strategy is followed up regularly and reported on to the MEC for the Department as well as to the Cluster and Audit Committee, on a quarterly basis.

### Internal Control Unit

A programme of inspections to be conducted for the 2014/2015 financial year was drafted based on areas of perceived higher risk. There was particular emphasis on supply chain management with not only the documentation being inspected but also emphasis on physical inspections to ensure value for money was received with projects. Check sheets for these inspections were verified, to ensure their continued relevance and correctness, prior to the inspections commencing. A summary of the audit projects that were successfully executed during 2014/2015 is shown below.

Inspections Conducted	Time Frames
Follow Up Inspections	1 May – 31 May 2014
Supply Chain Management and Sites (SCM)	1 June – 31 Sept 2014
Zibambele	1 Oct – 30 Nov 2014
Stores	1 Dec – 31 Dec 2014
SCM Site Inspections	1 Jan – 28 Feb 2015
Impress, Petty Cash and Revenue (selling of bid docs & receipting of any income)	1 March – 31 April 2015

The function involving the co-ordination and administration of audit queries was also performed effectively by Internal Compliance during this Financial Year.

### Internal Audit and Audit Committees

The Internal Audit is a shared service by Provincial Treasury. The Audit Plan is developed on a risk based approach.

## REPORT OF THE AUDIT & RISK COMMITTEE ON VOTE 12 – TRANSPORT

### 1. Objective and responsibility of the Audit and Risk Committee

The Provincial Audit and Risk Committee (PARC) has been established to assist the KZN Provincial Government in fulfilling its oversight responsibilities by, amongst others, reviewing the following:

- (a) the effectiveness of the internal control systems;
- (b) the effectiveness of the internal audit function;
- (c) the risk areas of the institution's operations covered in the scope of internal and external audits;
- (d) the adequacy, reliability and accuracy of the financial 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 institution's compliance with legal and regulatory provisions; and
- (g) the activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.

The PARC is the shared audit and risk committee for the provincial departments, and is further sub-divided into three Cluster Audit and Risk Committees that provide oversight to provincial departments. The Department of Transport is served by the Economic Cluster Audit & Risk Committee.

The Committee reports that it has complied with its responsibilities arising from the Public Finance Management Act, No.1 of 1999 (PFMA), Treasury Regulations 3.1, including all other related prescripts; and also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Committee is therefore, pleased to present its report for the financial year ended 31 March 2015.

### 2. Audit Committee Members and Attendance

During the financial year under review, a new committee was appointed on 23 February 2015 and consisted of the PARC and the Economic CARC members listed in the table below. The table also outlines the meetings held and attendance thereof by members; to enable the Committee to discharge their responsibilities relating to matters under review during the reporting period.

#	Name of Member	PARC Meetings Attended	Governance and Administration CARC Meetings Attended	Special Meetings
1.	Mr S Simelane (Acting Chairman of PARC & Economic CARC)	2	2	2
2.	Mr R Dehal	2	2	2
3.	Mr V Ramphal	2	2	2
4.	Mr P Christianson	2	N/A	2
5.	Mr D O'Connor	2	N/A	2
6.	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:

- Mechanical Plant Maintenance
- Learner Transport
- Labour Relations
- Supply Chain Management
- Transportation
- Expenditure Management - Irregular Expenditure
- Immovable Tangible Capital Assets
- Accruals

### 4. Risk Management

The Committee noted that department is progressing towards building a credible risk register both at the business unit level and at the corporate level. The committee further noted that the department has an approved risk management policy, business continuity plan, and an internal risk committee as the relative minimum governance structures for risk management. The monitoring of the implementation of risk mitigation strategies and reporting such to the Committee, on a quarterly basis, is also taking place.

The Committee appreciates the effort and progress being made on risk management in the department, and believes that by implementing the following on a continuous and consistent basis, the culture of risk management within the department will mature:

- a. Validating and measuring the impact that completed risk mitigation plans make on the risk exposure, together with regular updates to the risk register;
- b. Identifying and reporting on emerging risks on a quarterly basis;
- c. Identifying critical risks in the light of the department's exposure to meeting its objectives effectively, efficiently and economically; and
- d. Establishing additional capacity in the department to ensure that each programme has a risk champion that will be responsible for undertaking the daily risk management responsibilities and reporting to the Risk Management Officer.

### 5. Forensics Investigations

During the period under review, the Committee noted that there were eighteen (18) forensic investigations, all relating to alleged procurement irregularities, which the department has referred to the Provincial Internal Audit Services for investigation. Three (3) of these investigations were completed, the other nine (9) reports are at draft stage and six (6) were still 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.

The Committee is unable to comment on the completeness of the investigations conducted during the year under review as the department failed to respond to the request to furnish the Provincial Internal Audit Services (PIAS) with a list of any other in-house or outsourced investigations to other service providers by the Department. As a result, the committee is unable to further comment on the completeness of the department's fraud risk profile.

#### 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 Internal Auditors and the Auditor General, the Committee has noted with concerns, the weaknesses identified around the usefulness and reliability of performance information due to lack of frequent review of reported achievements against source documentation. The management of the department has been urged to implement the appropriate improvement strategies in order to address those identified shortcomings with immediate effect.

#### 7. Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor General and the Accounting Officer;
- Reviewed the Auditor General's Management Report;
- Reviewed the Department's processes for compliance with legal and regulatory provisions, concerns have been noted around reliability of performance information, procurement and contract management, the non-filling of vacant posts within 12 months, failure to pay suppliers within 30 days 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 requirements, Internal Audit Function provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved through the implementation of a risk based Internal Audit plan. The Committee has, through the CARC monitoring processes, considered internal audit reports issued after assessing the adequacy and effectiveness of controls designed to mitigate the risks associated with operational and strategic activities of the department, as well as the appropriateness of the of corrective actions provided by management to improve the control environment.

The Internal Audit function was effective during the period under review and there were no unjustified restrictions or limitations. The Committee will in the forthcoming year, monitor progress to ensure that the Internal Audit Function continues to add value to the department and achieves its optimal performance. The Committee also monitored the implementation of Internal Audit recommendations to the Department.



## 9. Auditor-General's Report

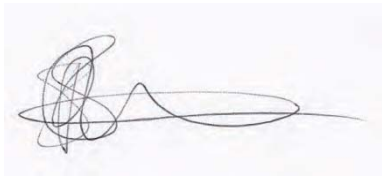
The Committee has monitored the implementation of corrective action plans to address the audit issues raised in the prior year by the Auditor General. The Committee has met with the Auditor General of South Africa to ensure that there were no unresolved issues that emanated from the current regulatory audit.

The Committee will ensure that corrective actions on the detailed findings emanating from the current regulatory audit are monitored on a quarterly basis through the CARC processes.

The Committee concurs and accepts the Auditor General's 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 information they have provided to enable us to compile this report.



Mr S Simelane

Acting Chairman: Provincial Audit and Risk Committee

11 August 2015

## PART D:

### HUMAN RESOURCE OVERSIGHT





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
- amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 2.1.1 Personnel expenditure by programme for the period 1 April 2014 and 31 March 2015

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	258 972	107 434	417	0	41	27
Transport Infrastructure	6 821 519	682 606	2 101	0	10	185
Transport Operations	1 227 597	31 657	64	0	3	8
Transport Regulation	702 150	480 151	852	0	68	120
Community Based Programme	41 711	13 089	10	0	31	3
Z=Total as on Financial Systems (BAS)	9 051 949	1 314 937	3 444	0	15	343

Table 2.1.2 Personnel costs by salary band for the period 1 April 2014 and 31 March 2015

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)	22 691	1.6	268	84 668
Skilled (Levels 3-5)	269 168	19	1 628	165 337
Highly skilled production (Levels 6-8)	496 988	35.1	1 459	340 636
Highly skilled supervision (Levels 9-12)	150 756	10.6	242	622 959
Senior management (Levels 13-16)	40 308	2.8	39	1 033 538
Contract (Levels 1-2)	2 486	0.2	41	60 634
Contract (Levels 3-5)	27 161	1.9	121	224 471
Contract (Levels 6-8)	49 006	3.5	183	267 792
Contract (Levels 9-12)	3 649	0.3	9	405 444
Contract (Levels 13-16)	2 742	0.2	2	1 371 000
Periodical Remuneration	16 604	1.2	1161	14 301
Abnormal Appointment	297 234	21	46 011	6 460
TOTAL	1 378 793	97.3	51 164	26 948

Table 2.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2014 and 31 March 2015

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	94 127	88	879	0.8	2 645	2.5	4 581	4.3
Community Based Programme	11 764	90	0	0	185	1.4	407	3.1
Transport Infrastructure	682 606	93	5 931	0.86	17 371	2.5	21 116	3.0
Transport Operations	28 556	90	2 236	7.0	617	0.1	26 007	0.2
Transport Regulation	420 305	88	94 641	19.7	13 991	4.4	1 010	8.2
TOTAL	1 238 336	69.3	103 687	7.3	34 809	2.5	53 121	3.7

Table 2.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2014 and 31 March 2015

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)	14 854	65.1	215	0.9	1 642	7.2	1 887	8.3
Skilled (Levels 3-5)	178 168	65.7	6 038	2.2	16 088	5.9	1 8845	6.9
Highly skilled production (Levels 6-8)	281 544	55.3	83 609	16.4	14 395	2.8	26 645	5.2
Highly skilled supervision (Levels 9-12)	100 487	61.6	10 632	6.5	1 782	1.1	4 555	2.8
Senior management (Levels 13-16)	32 291	74.1	0	0	260	0.6	786	1.8
Contract (Levels 1-2)	2 403	95.5	79	3.1	0	0	0	0



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
Contract (Levels 3-5)	22 115	73.6	2 713	9	572	1.9	310	1
Contract (Levels 6-8)	48 354	96.9	410	0.8	14	0	26	0.1
Contract (Levels 9-12)	3 405	93.2	0	0	48	1.3	23	0.6
Contract (Levels 13-16)	2 348	76.7	0	0	0	0	42	1.4
Periodical Remuneration	0	0	0	0	0	0	0	0
Abnormal Appointment	297 195	100	0	0	0	0	0	0
<b>TOTAL</b>	<b>983 162</b>	<b>69.3</b>	<b>103 697</b>	<b>7.3</b>	<b>34 800</b>	<b>2.5</b>	<b>53 119</b>	<b>3.7</b>

### 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 2.2.1 Employment and vacancies by programme as on 31 March 2015

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	447	344	23	46
Transport Infrastructure	3 355	2 035	39.3	202
Transport Operations	1 848	1 501	18.8	1
Transport Regulation	103	80	22.3	15
Community Based Programme	39	32	17.9	0
<b>TOTAL</b>	<b>5 792</b>	<b>3 992</b>	<b>31.1</b>	<b>264</b>

Table 2.2.2 Employment and vacancies by salary band as on 31 March 2015

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	692	269	61.1	1
Skilled (Levels 3-5), Permanent	2 478	1 628	34.3	1
Highly skilled production (Levels 6-8), Permanent	1 870	1 458	22	0
Highly skilled supervision (Levels 9-12), Permanent	344	242	29.7	0
Senior management (Levels 13-16), Permanent	52	39	25	0
Contract (Levels 1-2), Permanent	41	41	0	41
Contract (Levels 3-5), Permanent	121	121	0	30
Contract (Levels 6-8), Permanent	183	183	0	182
Contract (Levels 9-12), Permanent	9	9	0	9
Contract (Levels 13-16), Permanent	2	2	0	0
<b>TOTAL</b>	<b>5 792</b>	<b>3 992</b>	<b>31.1</b>	<b>264</b>

Table 2.2.3 Employment and vacancies by critical occupations as on 31 March 2015

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, Permanent	202	142	29.7	3
All artisans in the building metal machinery etc., Permanent	125	50	60	2
Artisan project and related superintendents, Permanent	23	15	34.8	0
Auxiliary and related workers, Permanent	42	30	28.6	0
Building and other property caretakers, Permanent	26	14	46.2	0
Bus and heavy vehicle drivers, Permanent	17	10	41.2	1
Cartographic surveying and related technicians, Permanent	6	6	0	5
Civil engineering technicians, Permanent	318	250	21.4	191
Cleaners in offices workshops hospitals etc., Permanent	161	134	16.8	0
Client inform clerks (switchboard reception clerks), Permanent	36	30	16.7	0
Communication and information related, Permanent	4	2	50	0
Engineering sciences related, Permanent	36	21	41.7	0



Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Engineers and related professionals, Permanent	58	42	27.6	0
Finance and economics related, Permanent	5	4	20	0
Financial and related professionals, Permanent	13	10	23.1	0
Financial clerks and credit controllers, Permanent	9	7	22.2	0
Food services aids and waiters, Permanent	22	20	9.1	0
General legal administration & rel. professionals, Permanent	2	2	0	1
Head of department/chief executive officer, Permanent	1	1	0	0
Human resources & organisat developm & relate prof, Permanent	34	21	38.2	0
Human resources clerks, Permanent	91	74	18.7	0
Human resources related, Permanent	15	13	13.3	0
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	1	50	0
Light vehicle drivers, Permanent	17	12	29.4	0
Logistical support personnel, Permanent	1	1	0	0
Mechanical engineering technicians, Permanent	1	1	0	1
Messengers porters and deliverers, Permanent	79	67	15.2	0
Motor vehicle drivers, Permanent	587	335	42.9	2
Other administrat & related clerks and organisers, Permanent	1 093	871	20.3	52
Other administrative policy and related officers, Permanent	245	170	30.6	3
Other information technology personnel., Permanent	2	2	0	0
Other occupations, Permanent	1	1	0	0
Regulatory inspectors, Permanent	964	801	16.9	0
Road superintendents, Permanent	20	16	20	0
Road trade workers., Permanent	209	150	28.2	1
Road workers, Permanent	976	444	54.5	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Safety health and quality inspectors, Permanent	3	2	33.3	0
Secretaries & other keyboard operating clerks, Permanent	37	25	32.4	1
Security guards, Permanent	81	42	48.1	0
Security officers, Permanent	8	5	37.5	0
Senior managers, Permanent	47	34	27.7	0
Trade labourers, Permanent	156	99	36.5	0
Trade trainers, Permanent	3	1	66.7	0
<b>TOTAL</b>	<b>5 792</b>	<b>3 992</b>	<b>31.1</b>	<b>264</b>

#### 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 2.3.1 SMS post information as on 31 March 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	9	81	3	27
Salary Level 13	32	23	71	8	25
<b>Total</b>	<b>48</b>	<b>36</b>	<b>75</b>	<b>12</b>	<b>25</b>

Table 2.3.2 SMS post information as on 30 September 2014

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	8	72	3	27
Salary Level 13	32	24	75	8	25
<b>Total</b>	<b>48</b>	<b>32</b>	<b>68</b>	<b>12</b>	<b>25</b>



**Table 2.3.3 Advertising and filling of SMS posts for the period 1 April 2014 and 31 March 2015**

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	1	0	0	
Salary Level 14	0	0	0	
Salary Level 13	0	0	0	
Total	1	0	0	

**Table 2.3.4 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 2014 and 31 March 2015**

<b>Reasons for vacancies not advertised within six months</b>
Post Senior Manager: Technology Transfer became vacant on 1 August 2014. A request for the SGM: TIRS to request authority from the Head of Department, to fill the post was submitted to his office, but the post has not yet been advertised.
<b>Reasons for vacancies not filled within twelve months</b>
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.
- 

**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 2.4.1 Job Evaluation by Salary band for the period 1 April 2014 and 31 March 2015**

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)	733	0	0	0	0	0	0
Skilled (Levels 3-5)	2 599	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	2 053	1	0	12	0.6	0	0
Highly skilled supervision (Levels 9-12)	353	0	0	0	0	0	0
Senior Management Service Band A	32	1	0	1	13.1	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	5 792	2	0	13	0,22	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 2.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2014 and 31 March 2015**

Gender	African	Asian	Coloured	White	Total
Female	3	1	0	1	5
Male	2	1	1	0	4
Total	5	2	1	1	9
Employees with a disability					0

### 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 2.5.1 Annual turnover rates by salary band for the period 1 April 2014 and 31 March 2015**

Salary band	Number of employees at beginning of period-April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2), Permanent	148	135	8	5.4
Skilled (Levels 3-5), Permanent	1 447	95	162	11.2
Highly skilled production (Levels 6-8), Permanent	1 478	27	77	5.2
Highly skilled supervision (Levels 9-12), Permanent	247	6	13	5.3
Senior Management Service Band A, Permanent	25	2	1	4
Senior Management Service Band B, Permanent	10	0	1	10
Senior Management Service Band C, Permanent	3	0	0	0
Senior Management Service Band D, Permanent	1	0	0	0
Contract (Levels 1-2), Permanent	29	45	12	41.4
Contract (Levels 3-5), Permanent	234	133	27	11.5
Contract (Levels 6-8), Permanent	170	3	5	2.9
Contract (Levels 9-12), Permanent	3	1	1	33.3
Contract (Band A), Permanent	1	0	0	0
Contract (Band D), Permanent	1	0	0	0
TOTAL	3 797	447	307	8.1



Table 2.5.2 Annual turnover rates by critical occupation for the period 1 April 2014 and 31 March 2015

Critical occupation	Number of employees at beginning of period-April 2013	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, Permanent	145	1	6	4.1
All artisans in the building metal machinery etc., Permanent	51	0	1	2
Artisan project and related superintendents, Permanent	15	0	0	0
Auxiliary and related workers, Permanent	26	6	1	3.8
Building and other property caretakers, Permanent	19	0	4	21.1
Bus and heavy vehicle drivers, Permanent	9	1	1	11.1
Cartographic surveying and related technicians, Permanent	7	0	0	0
Civil engineering technicians, Permanent	254	16	35	13.8
Cleaners in offices workshops hospitals etc., Permanent	118	20	6	5.1
Client inform clerks(switchboard reception inform clerks), Permanent	29	1	1	3.4
Communication and information related, Permanent	2	0	0	0
Engineering sciences related, Permanent	22	0	1	4.5
Engineers and related professionals, Permanent	45	0	4	8.9
Finance and economics related, Permanent	5	0	0	0
Financial and related professionals, Permanent	9	1	0	0
Financial clerks and credit controllers, Permanent	7	1	1	14.3
Food services aids and waiters, Permanent	20	1	1	5
General legal administration & rel. professionals, Permanent	0	2	0	0
Head of department/chief executive officer, Permanent	1	0	0	0
Human resources & organisational development & related professions, Permanent	23	2	6	26.1
Human resources clerks, Permanent	75	0	1	1.3
Human resources related, Permanent	13	0	0	0
Language practitioners interpreters & other communication, Permanent	9	1	0	0
Legal related, Permanent	0	2	1	0
Librarians and related professionals, Permanent	1	0	0	0
Library mail and related clerks, Permanent	2	0	1	50
Light vehicle drivers, Permanent	11	0	0	0
Logistical support personnel, Permanent	1	0	0	0

Critical occupation	Number of employees at beginning of period-April 2013	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Messengers porters and deliverers, Permanent	65	9	5	7.7
Motor vehicle drivers, Permanent	282	97	37	13.1
Other administrat & related clerks and organisers, Permanent	834	59	46	5.5
Other administrative policy and related officers, Permanent	172	2	11	6.4
Other information technology personnel., Permanent	2	0	0	0
Other occupations, Permanent	1	0	0	0
Regulatory inspectors, Permanent	738	91	27	3.7
Road superintendents, Permanent	18	0	2	11.1
Road trade workers., Permanent	125	23	15	12
Road workers, Permanent	416	105	71	17.1
Safety health and quality inspectors, Permanent	2	0	0	0
Secretaries & other keyboard operating clerks, Permanent	25	1	0	0
Security guards, Permanent	48	0	7	14.6
Security officers, Permanent	5	0	0	0
Senior managers, Permanent	34	2	2	5.9
Trade labourers, Permanent	110	3	13	11.8
Trade trainers, Permanent	1	0	0	0
TOTAL	3 797	447	307	8.1

#### 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 –
  - (a) 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;
  - (b) 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;
  - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
  - (d) 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 2.5.3 Reasons why staff left the department for the period 1 April 2014 and 31 March 2015

Termination Type	Number	% of Total Resignations
Death, Permanent	56	18.2
Resignation, Permanent	84	27.4
Expiry of contract, Permanent	38	12.4
Transfers, Permanent	1	0.3
Discharged due to ill health, Permanent	2	0.7
Dismissal-misconduct, Permanent	11	3.6
Retirement, Permanent	115	37.5
TOTAL	307	100
Total number of employees who left as a % of total employment	8.1%	

Table 2.5.4 Promotions by critical occupation for the period 1 April 2014 and 31 March 2015

Occupation	Employment at Beginning of Period (April 2014)	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	145	1	0.7	120	82.8
All artisans in the building metal machinery etc.	51	0	0	52	102
Artisan project and related superintendents	15	0	0	14	93.3
Auxiliary and related workers	26	0	0	17	65.4
Building and other property caretakers	19	0	0	15	78.9
Bus and heavy vehicle drivers	9	0	0	7	77.8
Cartographic surveying and related technicians	7	0	0	4	57.1
Civil engineering technicians	254	0	0	166	65.4
Cleaners in offices workshops hospitals etc.	118	0	0	92	78
Client inform clerks (switchboard receipt inform clerks)	29	0	0	29	100
Communication and information related	2	0	0	2	100
Engineering sciences related	22	0	0	15	68.2
Engineers and related professionals	45	0	0	40	88.9
Finance and economics related	5	0	0	4	80
Financial and related professionals	9	0	0	8	88.9
Financial clerks and credit controllers	7	0	0	4	57.1
Food services aids and waiters	20	0	0	18	90

Occupation	Employment at Beginning of Period (April 2014)	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
Head of department/chief executive officer	1	0	0	0	0
Human resources & organisat developm & relate prof	23	1	4.3	16	69.6
Human resources clerks	75	1	1.3	66	88
Human resources related	13	0	0	12	92.3
Language practitioners interpreters & other commun	9	0	0	8	88.9
Librarians and related professionals	1	0	0	1	100
Library mail and related clerks	2	0	0	1	50
Light vehicle drivers	11	1	9.1	6	54.5
Logistical support personnel	1	0	0	1	100
Messengers porters and deliverers	65	0	0	54	83.1
Motor vehicle drivers	282	4	1.4	254	90.1
Other administrat & related clerks and organisers	834	0	0	632	75.8
Other administrative policy and related officers	172	6	3.5	141	82
Other information technology personnel.	2	0	0	2	100
Other occupations	1	0	0	0	0
Regulatory inspectors	738	6	0.8	663	89.8
Road superintendents	18	0	0	14	77.8
Road trade workers.	125	17	13.6	106	84.8
Road workers	416	0	0	350	84.1
Safety health and quality inspectors	2	0	0	2	100
Secretaries & other keyboard operating clerks	25	0	0	19	76
Security guards	48	0	0	40	83.3
Security officers	5	0	0	3	60
Senior managers	34	0	0	22	64.7
Trade labourers	110	0	0	98	89.1
Trade trainers	1	0	0	1	100
TOTAL	3 797	37	1	3 119	82.1



Table 2.5.5 Promotions by salary band for the period 1 April 2014 and 31 March 2015

Salary Band	Employees 1 April 2014	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	148	0	0	86	58.1
Skilled (Levels 3-5), Permanent	1 447	5	0.3	1 477	102.1
Highly skilled production (Levels 6-8), Permanent	1 478	31	2.1	1 203	81.4
Highly skilled supervision (Levels 9-12), Permanent	247	1	0.4	213	86.2
Senior management (Levels 13-16), Permanent	39	0	0	23	59
Contract (Levels 1-2), Permanent	29	0	0	0	0
Contract (Levels 3-5), Permanent	234	0	0	4	1.7
Contract (Levels 6-8), Permanent	170	0	0	113	66.5
Contract (Levels 9-12), Permanent	3	0	0	0	0
Contract (Levels 13-16), Permanent	2	0	0	0	0
TOTAL	3 797	37	1	3 119	82.1

**Employment Equity**

Table 2.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2015

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers, Permanent	13	0	1	4	15	0	1	2	36
Professionals, Permanent	32	0	11	20	50	3	6	9	131
Technicians and associate professionals, Permanent	227	11	34	27	236	5	32	30	602
Clerks, Permanent	122	10	44	10	615	29	95	83	1 008
Service and sales workers, Permanent	397	27	98	41	230	11	29	15	848
Craft and related trades workers, Permanent	136	2	20	27	47	0	0	0	232
Plant and machine operators and assemblers, Permanent	334	0	0	1	21	0	0	0	356
Elementary occupations, Permanent	523	1	4	2	244	1	3	0	778
Other, Permanent	1	0	0	0	0	0	0	0	1
TOTAL	1 785	51	212	132	1 458	49	166	139	3 992
Employees with disabilities	6	0	2	4	9	0	4	2	27

**Table 2.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2015**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	2	0	0	1	0	0	0	1	4
Senior Management, Permanent	9	0	1	6	16	0	1	2	35
Professionally qualified and experienced specialists and mid-management, Permanent	67	9	26	38	77	2	15	8	242
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	519	28	131	79	476	26	84	115	1 458
Semi-skilled and discretionary decision making, Permanent	892	10	37	5	592	19	61	12	1 628
Unskilled and defined decision making, Permanent	83	0	2	2	178	1	3	0	269
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	6	0	2	0	1	0	0	0	9
Contract (Skilled technical), Permanent	114	0	4	1	64	0	0	0	183
Contract (Semi-skilled), Permanent	77	4	9	0	27	1	2	1	121
Contract (Unskilled), Permanent	14	0	0	0	27	0	0	0	41
<b>TOTAL</b>	<b>1 785</b>	<b>51</b>	<b>212</b>	<b>132</b>	<b>1 458</b>	<b>49</b>	<b>166</b>	<b>139</b>	<b>3 992</b>



Table 2.6.3 Recruitment for the period 1 April 2014 to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	0	0	1	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management, Permanent	3	1	0	0	2	0	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	13	0	0	0	14	0	0	0	27
Semi-skilled and discretionary decision making, Permanent	66	0	4	0	25	0	0	0	95
Unskilled and defined decision making, Permanent	46	0	1	1	87	0	0	0	135
Contract (Professionally qualified), Permanent	1	0	0	0	0	0	0	0	1
Contract (Skilled technical), Permanent	1	0	0	0	2	0	0	0	3
Contract (Semi-skilled), Permanent	94	4	8	0	22	1	3	1	133
Contract (Unskilled), Permanent	16	0	0	0	29	0	0	0	45
TOTAL	240	5	14	1	182	1	3	1	447
Employees with disabilities	0	0	0	0	1	0	0	0	1

Table 2.6.4 Promotions for the period 1 April 2014 to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	1	0	0	1	0	0	0	0	2
Senior Management, Permanent	5	0	0	4	10	0	1	1	21
Professionally qualified and experienced specialists and mid-management, Permanent	56	8	23	35	67	2	15	8	214
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	465	26	110	77	429	16	56	55	1 234

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Semi-skilled and discretionary decision making, Permanent	833	9	32	4	529	16	55	4	1482
Unskilled and defined decision making, Permanent	9	0	1	0	72	1	3	0	86
Contract (Skilled technical), Permanent	76	0	3	1	33	0	0	0	113
Contract (Semi-skilled), Permanent	1	0	1	0	2	0	0	0	4
TOTAL	1 446	43	170	122	1 142	35	130	68	3 156
Employees with disabilities	7	0	2	4	7	0	4	2	26

Table 2.6.5 Terminations for the period 1 April 2014 to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	1	0	0	1	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management, Permanent	5	0	1	3	4	0	0	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	31	2	4	9	18	1	3	9	77
Semi-skilled and discretionary decision making, Permanent	137	0	2	1	19	0	2	1	162
Unskilled and defined decision making, Permanent	6	1	0	0	1	0	0	0	8
Contract (Professionally qualified), Permanent	0	0	0	0	1	0	0	0	1
Contract (Skilled technical), Permanent	4	0	0	0	1	0	0	0	5
Contract (Semi-skilled), Permanent	15	0	0	0	11	0	1	0	27
Contract (Unskilled), Permanent	6	0	0	0	6	0	0	0	12
TOTAL	205	3	7	14	61	1	6	10	307
Employees with disabilities	1	0	0	0	0	0	0	0	1



Table 2.6.6 Disciplinary action for the period 1 April 2014 to 31 March 2015

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Written Warning	6	4	7	2	3	0	2	0	24
Final Written Warning	33	15	18	4	4	5	3	0	82
Dismissal	1	0	0	0	0	0	0	1	2
Suspension with pay	5	0	0	0	0	0	0	2	7
Case Withdrawn	3	0	0	0	0	0	0	0	3
GRAND TOTAL	48	19	25	6	7	5	5	3	118
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 2.6.7 Skills development for the period 1 April 2014 to 31 March 2015

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	3	1	2	3	18	0	6	2	35
Professionals	5	1	0	1	10	1	1	3	22
Technicians and Associate Professionals	85	0	2	3	78	0	5	2	175
Clerks	33	1	10	3	84	2	5	10	148
Service and Sales Workers	124	7	36	3	77	4	10	3	264
Skilled Agriculture and Fishery Workers	6	0	0	0	2	0	0	0	8
Plant and Machine Operators and Assemblers	55	0	0	0	1	0	0	0	56
Elementary Occupations	61	0	0	0	34	0	0	0	95
TOTAL	372	10	50	13	304	7	27	20	803
Employees with disabilities	1	0	0	0	2	0	1	0	4

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 2.7.1 Signing of Performance Agreements by SMS members as on 31 May 2014

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	21	91
Total	48	36	34	94

### 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 2.8.1 Performance Rewards by race, gender and disability for the period 1 April 2014 to 31 March 2015

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	354	1 449	24.4	4 661	13 166
African, Male	332	1 779	18.7	4 131	12 443
Asian, Female	75	162	46.3	1 206	16 077
Asian, Male	73	210	34.8	1 310	17 949
Coloured, Female	21	49	42.9	248	11 791
Coloured, Male	14	51	27.5	307	21 919
White, Female	60	137	43.8	950	15 835
White, Male	58	128	45.3	1 513	26 085
Employees with a disability	12	27	44.4	308	25 639
TOTAL	999	3 992	25	14 633	14 648

Table 2.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2014 to 31 March 2015

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower skilled (Levels 1-2)	45	268	16.8	245	5 444	0.03
Skilled (Levels 3-5)	373	1 628	22.9	2 818	7 555	0.30
Highly skilled production (Levels 6-8)	428	1 459	29.3	6 405	14 965	0.68
Highly skilled supervision (Levels 9-12)	132	242	54.5	4 277	32 402	0.45
Contract (Levels 1-2)	0	41	0	0	0	0.00
Contract (Levels 3-5)	1	121	0.8	6	6 000	0.00
Contract (Levels 6-8)	7	183	3.8	89	12 714	0.01
Contract (Levels 9-12)	0	9	0	0	0	0.00
TOTAL	986	3 951	25	13 840	14 037	1.46



**Table 2.8.3 Performance Rewards by critical occupation for the period 1 April 2014 to 31 March 2015**

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	83	142	58.5	2 746	33 084
All artisans in the building metal machinery etc.	20	50	40	234	11 700
Artisan project and related superintendents	5	15	33.3	126	25 200
Auxiliary and related workers	7	30	23.3	91	13 000
Building and other property caretakers	2	14	14.3	11	5 500
Bus and heavy vehicle drivers	3	9	33.3	31	10 333
Cartographic surveying and related technicians	1	6	16.7	37	37 000
Civil engineering technicians	19	250	7.6	319	16 789
Cleaners in offices workshops hospitals etc.	30	134	22.4	176	5 867
Client inform clerks(switchb receipt inform clerks)	20	30	66.7	278	13 900
Communication and information related	2	2	100	46	23 000
Engineering sciences related	10	21	47.6	381	38 100
Engineers and related professionals	18	42	42.9	448	24 889
Finance and economics related	2	4	50	89	44 500
Financial and related professionals	6	10	60	171	28 500
Financial clerks and credit controllers	4	7	57.1	80	20 000
Food services aids and waiters	14	20	70	83	5 929
General legal administration & rel. professionals	0	2	0	0	0
Head of department/chief executive officer	0	1	0	0	0
Human resources & organisat developm & relate prof	5	21	23.8	91	18 200
Human resources clerks	32	74	43.2	270	8 438
Human resources related	6	13	46.2	168	28 000
Language practitioners interpreters & other commun	7	10	70	74	10 571
Legal related	0	3	0	0	0
Librarians and related professionals	1	1	100	23	23 000
Library mail and related clerks	2	1	200	30	15 000
Light vehicle drivers	4	12	33.3	29	7 250
Logistical support personnel	1	1	100	16	16 000

Critical occupation	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	30	67	44.8	185	6 167
Motor vehicle drivers	39	335	11.6	257	6 590
Other administrat & related clerks and organisers	267	871	30.7	2 517	9 427
Other administrative policy and related officers	69	170	40.6	1 043	15 116
Other information technology personnel.	2	2	100	23	11 500
Other occupations	0	1	0	0	0
Rank: Unknown	0	1	0	0	0
Regulatory inspectors	136	801	17	2 662	19 574
Road superintendents	4	16	25	48	12 000
Road trade workers.	37	150	24.7	326	8 811
Road workers	44	444	9.9	243	5 523
Safety health and quality inspectors	1	2	50	33	33 000
Secretaries & other keyboard operating clerks	18	25	72	286	15 889
Security guards	9	42	21.4	38	4 222
Security officers	2	5	40	16	8 000
Senior managers	12	34	35.3	760	63 333
Trade labourers	24	99	24.2	139	5 792
Trade trainers	1	1	100	8	8 000
<b>TOTAL</b>	<b>999</b>	<b>3 992</b>	<b>25</b>	<b>14 632</b>	<b>14 647</b>

#### 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 –
  - (a) 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;
  - (b) 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;
  - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
  - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;



**Table 2.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2014 to 31 March 2015**

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	10	27	37	586	58 600	0.0001
Band B	2	9	22.2	143	71 500	0.0000
Band C	1	3	33.3	63	63 000	0.0000
Band D	0	2	0	0	0	0.0000
TOTAL	13	41	31.7	792	60 923.1	0.0001

### Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

**Table 2.9.1 foreign workers by salary band for the period 1 April 2014 and 31 March 2015**

Salary band	01 April 2014		31 March 2015		Change	
	Number	% of total	Number	% of total	Number	% Change
Skilled (Levels 3-5)	1	25	1	20	0	0
Highly skilled supervision (Levels 9-12)	1	25	1	20	0	0
Contract (Levels 6-8)	0	0	1	20	1	100
Abnormal Appointment	2	50	2	40	0	0
TOTAL	4	100	5	100	1	20

**Table 2.9.2 Foreign workers by major occupation for the period 1 April 2014 and 31 March 2015**

Major Occupation	01 April 2014		31 March 2015		Change	
	Number	% of total	Number	% of total	Number	% Change
Administrative office workers	1	25	1	20	0	0
Other occupations	2	50	2	40	0	0
Professionals and managers	1	25	2	40	1	100
TOTAL	4	100	5	100	1	20

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 2.10.1 Sick leave for the period 1 January 2014 to 31 December 2014

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)	900	85.2	115	4.3	8	375
Skilled (Levels 3-5)	8 782	83.9	1 033	38.8	9	5 217
Highly skilled production (Levels 6-8)	10 225	78	1 179	44.2	9	9 725
Highly skilled supervision (Levels 9-12)	1 129	77.4	173	6.5	7	2 160
Senior management (Levels 13-16)	135	86.7	25	0.9	5	459
Contract (Levels 1-2)	67	65.7	21	0.8	3	17
Contract (Levels 3-5)	43	86	18	0.7	2	24
Contract (Levels 6-8)	495	67.9	97	3.6	5	479
Contract (Levels 9-12)	19	78.9	4	0.2	5	33
<b>TOTAL</b>	<b>21 795</b>	<b>80.4</b>	<b>2 665</b>	<b>100</b>	<b>8</b>	<b>18 489</b>

Table 2.10.2 Disability leave (temporary and permanent) for the period 1 January 2014 to 31 December 2014

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)	170	100	5	6	34	72
Skilled (Levels 3-5)	1 492	100	40	47.6	37	849
Highly skilled production (Levels 6-8)	1 017	100	34	40.5	30	924
Highly skilled supervision (Levels 9-12)	193	100	3	3.6	64	286
Senior management (Levels 13-16)	35	100	1	1.2	35	111
Contract (Levels 3-5)	22	100	1	1.2	22	13
<b>TOTAL</b>	<b>2 929</b>	<b>100</b>	<b>84</b>	<b>100</b>	<b>35</b>	<b>2 255</b>

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 2014 to 31 December 2014**

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	3114	21	149
Skilled (Levels 3-5)	37 752.43	23	1 622
Highly skilled production (Levels 6-8)	35 031.09	24	1 470
Highly skilled supervision (Levels 9-12)	5913	24	245
Senior management (Levels 13-16)	883	23	38
Contract (Levels 1-2)	214	5	40
Contract (Levels 3-5)	373	4	92
Contract (Levels 6-8)	2681	15	178
Contract (Levels 9-12)	86	11	8
Contract (Levels 13-16)	3	3	1
TOTAL	86 050.52	22	3 843

**Table 2.10.4 Capped leave for the period 1 January 2014 to 31 December 2014**

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)	5	1	5	31
Skilled (Levels 3-5)	319	29	11	67
Highly skilled production (Levels 6-8)	317	32	10	63
Highly skilled supervision (Levels 9-12)	16	2	8	77
TOTAL	657	64	10	65

The following table summarise payments made to employees as a result of leave that was not taken.

**Table 2.10.5 Leave pay outs for the period 1 April 2014 and 31 March 2015**

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Capped leave pay outs on termination of service for 2014/15	9 553	205	46 600
Current leave pay out on termination of service for 2014/15	330	36	9 167
TOTAL	9 883	241	4 108

## HIV/AIDS & Health Promotion Programmes

Table 2.11.1 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 & TB.
All Employees	Condom container have 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 EHW Component monitors this.
All Employees	HIV/AIDS & TB training are being conducted throughout the Department.

Table 2.11.2 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		Senior General Manager : Corporate Services Ms V Cunliffe General Manager : Human Resource Management 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 EHW Component is headed by an Assistant Manager and Senior Employee Health and Wellness Practitioner. The budget is R4,440,000 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		The primary function of the Employee Health and Wellness Programme (EHWP) is to assist departmental officials with any social, work or personal problem, such as marital, alcohol and drug dependency HIV/AIDS & TB or occupational stress that has an adverse impact on their work and social lives.
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 10 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 EHW 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 Provincial Policies namely: Wellness Management, HIV/AIDS & TB Management, Health and Productivity Management and Safety Health Environment Risk Quality Management were adopted, signed by the HOD and trainings on Wellness and HIV/AIDS & TB Management policies are being conducted throughout the Department.
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 EHW Component sign a confidentiality form informing them of what is expected of them.



Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have 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 and medical staff a number of employees are being treated for Chronic Diseases including non-communicable diseases such as High blood pressure and Diabetic etc.
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	YES		All type of counselling (Pre- counselling and Post counselling) are done to our employees when they are coming for HIV test. All the staff counselled 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.

### Labour Relations

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

**Table 2.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2014 and 31 March 2015**

Outcomes of disciplinary hearings	Number	% of total
Written Warning	24	20.33%
Final Written Warning	82	69.50%
Dismissal	2	1.69%
Suspension with pay	7	5.94%
Case Withdrawn	3	2.54%
TOTAL	118	100%

**Table 2.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2014 and 31 March 2015**

Type of misconduct	Number	% of total
Fraud/Theft	12	10.16%
Social Grant Misconduct	5	4.23%
Low Income Housing	2	1.69%
Insubordination	34	28.81%
Failed to comply with an instruction	62	52.54%
Under the influence of alcohol	1	0.84%
Absenteeism	1	0.84%
Abscondment	1	0.84%
TOTAL	118	100%

**Table 2.12.4 Grievances logged for the period 1 April 2014 and 31 March 2015**

Grievances	Number	% of Total
Number of grievances resolved	39	12.82%
Number of grievances not resolved	265	87.18%
Total number of grievances lodged	304	100

Table 2.12.5 Disputes logged with Councils for the period 1 April 2014 and 31 March 2015

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
Total number of disputes lodged	13	100%

Table 2.12.6 Strike actions for the period 1 April 2014 and 31 March 2015

Total number of persons working days lost	NONE
Total costs working days lost	NONE
Amount recovered as a result of no work no pay (R'000)	NONE

Table 2.12.7 Precautionary suspensions for the period 1 April 2013 and 31 March 2014

Number of people suspended	7
Number of people who's suspension exceeded 30 days	5
Average number of days suspended	30
Cost of suspension (R'000)	R 2 131 434

### Skills Development

This section highlights the efforts of the department with regard to skills development.

Table 2.13.1 Training needs identified for the period 1 April 2014 and 31 March 2015

Occupational category	Gender	Number of employees as at 1 April 2014	Training needs identified at start of the reporting period			
			Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	17	0	28	1	29
	Male	18	0	19	0	19
Professionals	Female	71	0	10	0	10
	Male	62	0	12	1	13
Technicians and associate professionals	Female	303	0	94	0	94
	Male	304	0	77	0	77
Clerks	Female	821	0	248	2	250
	Male	180	0	192	2	194
Service and sales workers	Female	278	0	141	0	141
	Male	515	0	197	0	197
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	30	0	38	0	38
	Male	180	0	44	0	44
Plant and machine operators and assemblers	Female	9	0	3	0	3
	Male	293	0	41	0	41
Elementary occupations	Female	166	0	75	0	75
	Male	585	0	240	0	240
Sub Total	Female	1 695	0	637	3	640
	Male	2 137	0	822	3	825
Total		3 832	0	1 459	6	1 465



Table 2.13.2 Training provided for the period 1 April 2014 and 31 March 2015

Occupational category	Gender	Number of employees as at 1 April 2014	Training provided within the reporting period			
			Learner-ship	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	17	2	12	12	26
	Male	18	2	3	4	9
Professionals	Female	71	10	3	3	16
	Male	62	5	0	3	8
Technicians and associate professionals	Female	303	0	57	28	85
	Male	304	0	50	40	90
Clerks	Female	821	2	77	23	102
	Male	180	0	16	31	47
Service and sales workers	Female	278	0	70	24	94
	Male	515	0	96	74	170
Skilled agriculture and fishery workers	Female	0	0	1	1	2
	Male	0	0	2	4	6
Craft and related trades workers	Female	30	0	0	0	0
	Male	180	0	0	0	0
Plant and machine operators and assemblers	Female	9	0	0	1	1
	Male	293	0	10	45	55
Elementary occupations	Female	166	0	16	18	34
	Male	585	0	29	32	61
Sub Total	Female	1 695	14	236	110	360
	Male	2 137	7	206	233	446
Total		3 832	21	442	343	806

**Injury on duty**

The following tables provide basic information on injury on duty.

Table 2.14.1 Injury on duty for the period 1 April 2014 and 31 March 2015

Nature of injury on duty	Number	% of total
Required basic medical attention only	22	96%
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	1	4%
Total	23	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:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 2.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2014 and 31 March 2015

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Engineering Services	377	various project durations	R 858 964 976.20
Management Advisory Services	72	various project durations	R 106 481 982.77
Legal Services	4	various project durations	R 24 402 833.60

Table 2.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2014 and 31 March 2015

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Engineering Services	79.3%	81%	288
Management Advisory Services	85%	85%	62
Legal Services	100%	100%	8







# ANNUAL FINANCIAL STATEMENTS:

VOTE 12

*FOR THE YEAR ENDED 31 MARCH 2015*





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# 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 Department of Transport set out on pages 119 to 214, which comprise the appropriation statement, the statement of financial position as at 31 March 2015, 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 National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (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 all 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 R11,28 million in note 25 to the financial statements.



## Immovable tangible capital assets

7. I was unable to obtain sufficient appropriate audit evidence to support immovable tangible capital assets amounting to R442,29 million included in note 31 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 R10,02 billion in the financial statements was necessary.

## Qualified opinion

8. 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 Department of Transport as at 31 March 2015, 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

9. I draw attention to the matters below.

## Significant uncertainties

10. As disclosed in note 19 to the financial statements, the department is the defendant in various claims. The ultimate outcome of these claims cannot presently be determined and no provision for any liability that may result had been made in the financial statements.

## Payables

11. As disclosed in note 21 to the financial statements, payables amounting to R1,18 billion would have resulted in unauthorised expenditure had the department paid these amounts during the year.

## Material impairments

12. As disclosed in note 24.3 to the financial statements, material impairments to the amount of R498,56 million were incurred as a result of the annual review of the recovery of accrued departmental revenue.

## Additional matter

13. I draw attention to the matter below.

## Unaudited supplementary schedules

14. The supplementary information set out on pages 200 to 214 does not form part of the financial statements 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

15. 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 the selected programme 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

16. performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for programme 2: transport infrastructure on pages 24 to 26, presented in the department's annual performance report for the year ended 31 March 2015.
17. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

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 finding in respect of the selected programme is as follows:

Transport infrastructure

Reliability of reported performance information

21. The FMPPI requires departments to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of frequent review of the validity of reported achievements against source documentation.

Additional matter

22. I draw attention to the following matter.

Achievement of planned targets

23. Refer to the annual performance report on pages 24 to 26 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material finding on the reliability of the reported performance information for the selected programme reported in paragraph 21 of this report.

Compliance with legislation

24. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-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**

25. 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. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, however the uncorrected material misstatement and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Strategic planning and performance management

26. Effective, efficient and transparent systems of risk management and internal control with respect to performance information and management were not in place, as required by section 38(1)(a)(i) of the PFMA.

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. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by treasury regulation 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.

29. 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).



30. Contracts and quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with treasury regulation 16A8.3.

#### Human resource management and compensation

31. Funded vacant posts were not filled within 12 months, as required by public service regulation 1/VII/C.1A.2A.

#### Expenditure management

32. Contractual obligations and money owed by the department were not settled within 30 days, as required by section 38(1)(f) of the PFMA and treasury regulation 8.2.3.

#### Internal control

33. 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 non-compliance with legislation.

#### Leadership

34. 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 were detected and prevented.

#### Financial and performance management

35. A proper system of record management that supports disclosure in the financial statements and reported performance was not implemented.
36. Non-compliance could have been prevented, had management updated and adhered to their compliance checklists.

#### Other reports

#### Investigations

37. At the request of the department, the KwaZulu-Natal Provincial Treasury was performing 15 investigations covering the period 1 December 2010 to 31 March 2014. These investigations, which were still in progress at the time of this report, related to various procurement irregularities and fraudulent payments made to suppliers and employees.

*Auditor-General*

Pietermaritzburg

29 July 2015



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 2014/15, in conjunction with National Treasury Instruction 01 of 2013/14: Cost containment 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 the 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 by 1%, 2% and 3% respectively 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 -
  - 2014/2015 – R165.035 million
  - 2015/2016 – R204.725 million
  - 2016/2017 – R214.142 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 R52.194 million in 2014/15 was earmarked for repairs relating to flood damage to roads in the province.
- 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 five 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 the “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 the 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 seek 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 had been successfully implemented in Port Shepstone in 2013/14. Taxi operators and small bus owners have ownership in the operating 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 is expected to be completed by the end of the 2015/16 financial year. The IRPTN for eThekweni 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 OVER-EXPENDITURE (R1, 064 000)

The over expenditure against this programme is due to the completion of various sections of construction projects carried over from previous years. The increased costs in construction materials such as cement, fuel, bitumen, etc., also contributed to the over-expenditure

### 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

NIL

The department fully spent its allocation against this programme

## 1.3 Virements

2014/2015						
Programme Name	Adjusted Appropriation	Shifting of Funds	Virements	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	253 814	-	5,158	258,972	258,972	-
Transport Infrastructure	6 827 918	-	(7,463)	6,820,455	6,821,519	(1 064)
Transport Operations	1 253 412	-	(25 815)	1 227 597	1 227 597	-
Transport Regulation	670 201	-	31 949	702 150	702 150	-
Community Based Programme	45 540	-	(3 829)	41 711	41 711	-
Total	9 050 885	-	-	9 050 885	9 051 949	(1 064)

Virements that have taken place during the 2014/15 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 2014/15 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.



## 2. 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 Departmental 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 consists of five sub-programmes in line with the sector specific budget format, namely: Programme 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-governmental 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.

Departmental revenue received during the reporting period amounted to R1 656 billion (2013/14: R1.577 billion). The bulk of the department's revenue was derived from Tax receipts (Motor vehicle licences) of R1.481 billion (2013/14: R1.396 billion), Sales of goods and services of R127 million (2013/14: R131 million), Fines, interest and dividends of R43 million (2013/14: R38 million), Interest, dividends and rent on land of R236 000 (2013/14: R202 000), Sale of capital assets of R4.3 million (2013/14: R4.1 million) and Financial transactions in assets and liabilities of R369 000 (2013/14: R7.8 million).

Departmental Receipts	2014/2015			2013/2014		
	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	1 420 000	1 481 126	(61 126)	1 343 000	1 396 323	(53 323)
Sale of goods and services other than capital assets	120 000	126 811	(6 811)	123 728	130 592	(6 864)
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	25 000	43 476	(18 476)	40 000	38 186	1 814
Interest, dividends and rent on land	160	236	(76)	200	202	(2)
Sale of capital assets	2 500	4 389	(1 889)	2 500	4 181	(1 681)
Financial transactions in assets and liabilities	4 500	369	4 131	2 974	7 814	(4 840)
Total	1 572 160	1 656 407	(84 247)	1 561 290	1 577 298	(64 896)

## 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 R 29, 071 000. Details of the inventory movements are included in Annexure 6 to the Annual Financial Statements.

## 3. 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 provides 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 provides free nutritional supplementation packs.

#### 4. Utilisation of aid assistance

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

#### 5. Trading entities and public entities

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

#### 6. 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 during the 2014/15 financial year.

#### 7. Public private partnerships (PPP)

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

#### 8. 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 this respect.

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.

#### 9. Discontinued activities/activities to be discontinued

The function of the provincial co-ordination of EPWP has been shifted to the Department of Public Works from the 2015/16 financial year. Funds were also suspended in that regard.

#### 10. New/proposed activities

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

#### 11. 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 were beefed up as part of the restructuring processes in the Department.

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

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

#### 13. 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 2015. 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 2014/15 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 2014/15 financial year the department managed to dispose redundant and obsolete assets through a donation (mostly computers equipment), sale of scrap, auction sale (motor vehicles and plant) During the process, revenue amounting to R2.495 million was collected for the sale of capital and minor assets.

#### 14. 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.

#### 15. Performance information

The Department has clearly defined service delivery outputs which are managed by the appointed respective components and reports 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.

#### 16. SCOPA resolutions

During the year under review all resolutions 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 no outstanding resolutions for the period under review.

#### 17. Prior modifications to audit reports

2011/12	Financially unqualified audit, with one other matter being the monitoring of Zibambebe Contractors
2012/13	Clean audit
2013/14	Qualified audit



## 18. Exemptions and deviations received from the National Treasury

The National Treasury has exempted the department from complying with certain sections of the Government Immovable asset management Act, No 19 of 2007. In particular the department is exempted from the following:

- The disclosure of building & other fixed structures in the disclosure notes for the tangible assets for the current and prior year.
- The use of fair value to value assets, which is referred to in the asset management policy set by the National Treasury.

No conditions apply to these exemptions for the year ended 31 March 2015.

## 19. Interim financial statements

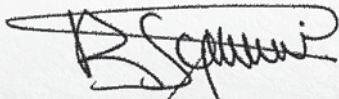
Interim financial statements were issued for various quarters of the financial year that depicted a true and fair view of the financial performance, financial position, changes in net assets and cash flows of the department at the end of each quarter. The interim financial statements were prepared on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

## 20. 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 report.

## 21. Approval

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



Mr. B.S. Gumbi  
HEAD: TRANSPORT  
31 May 2015

APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Appropriation per programme									
2014/15								2013/14	
Voted funds and Direct charges	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
<b>Programme</b>									
1. Administration	253 814	-	5 158	258 972	258 972	-	100.0%	257 304	257 304
2. Transport Infrastructure	6 827 918	-	(7 463)	6 820 455	6 821 519	(1 064)	100.0%	5 987 086	5 990 958
3. Transport Operations	1 253 412	-	(25 815)	1 227 597	1 227 597	-	100.0%	1 137 899	1 143 133
4. Transport Regulation	670 201	-	31 949	702 150	702 150	-	100.0%	621 318	621 318
5. Community Based Programme	45 540	-	(3 829)	41 711	41 711	-	100.0%	42 474	42 474
<b>TOTAL</b>	<b>9 050 885</b>	<b>-</b>	<b>-</b>	<b>9 050 885</b>	<b>9 051 949</b>	<b>(1 064)</b>	<b>100.0%</b>	<b>8 046 081</b>	<b>8 055 187</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Departmental receipts				1 656 407				1 577 298	
Aid assistance				40 000				-	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>10 747 292</b>				<b>9 623 379</b>	
<b>Add:</b>					14 983				10 000
Aid assistance									
Prior year unauthorised expenditure approved without funding									
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					<b>9 066 932</b>				<b>8 065 187</b>



APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Appropriation per economic classification										
	2014/15							2013/14		
	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
<b>Current payments</b>	<b>4 428 768</b>	-	<b>(251 049)</b>	<b>4 177 719</b>	<b>4 177 719</b>	-	<b>100.0%</b>	<b>3 944 037</b>	<b>3 947 180</b>	
Compensation of employees	1 355 698	-	14 162	1 369 860	1 369 860	-	100.0%	1 266 775	1 266 775	
Salaries and wages	1 212 478	-	24 880	1 237 358	1 237 358	-	100.0%	1 141 515	1 141 515	
Social contributions	143 220	-	(10 718)	132 502	132 502	-	100.0%	125 260	125 260	
Goods and services	3 073 070	-	(265 216)	2 807 854	2 807 854	-	100.0%	2 677 189	2 680 332	
Administrative fees	1 452	-	180	1 632	1 632	-	100.0%	9	9	
Advertising	8 100	-	3 203	11 303	11 303	-	100.0%	15 923	15 923	
Minor assets	6 407	-	(918)	5 489	5 489	-	100.0%	5 412	5 412	
Audit costs: External	6 773	-	188	6 961	6 961	-	100.0%	6 436	6 436	
Bursaries: Employees	428	-	14	442	442	-	100.0%	1 554	1 554	
Catering: Departmental activities	8 168	-	(775)	7 393	7 393	-	100.0%	9 342	9 342	
Communication (G&S)	37 471	-	(2 097)	35 374	35 374	-	100.0%	33 056	33 056	
Computer services	34 362	-	11 311	45 673	45 673	-	100.0%	25 928	25 928	
Consultants: Business and advisory services	156 328	-	(3 809)	152 519	152 519	-	100.0%	95 670	95 670	
Infrastructure and planning services	99 457	-	7 911	107 368	107 368	-	100.0%	76 427	76 427	
Laboratory services	237	-	198	435	435	-	100.0%	305	305	
Legal services	23 117	-	(4 064)	19 053	19 053	-	100.0%	24 962	24 962	
Contractors	1 647 268	-	(237 148)	1 410 120	1 410 120	-	100.0%	1 453 903	1 453 903	
Agency and support / outsourced services	8 564	-	(6 854)	1 710	1 710	-	100.0%	3 680	3 680	
Entertainment	21	-	(8)	13	13	-	100.0%	10	10	
Fleet services (including government motor transport)	53 659	-	15 436	69 095	69 095	-	100.0%	72 093	72 093	
Inventory: Clothing material and accessories	5 731	-	311	6 042	6 042	-	100.0%	5 745	5 745	

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2015

Appropriation per economic classification									
	2014/15						2013/14		
	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: Food and food supplies	844	-	156	1 000	1 000	-	100.0%	610	610
Inventory: Fuel, oil and gas	18 118	-	22 080	40 198	40 198	-	100.0%	34 310	34 310
Inventory: Learner and teacher support material	550	-	(156)	394	394	-	100.0%	576	576
Inventory: Materials and supplies	72 795	-	9 852	82 647	82 647	-	100.0%	63 189	63 189
Inventory: Medical supplies	3	-	(3)	-	-	-	-	7	7
Inventory: Medicine	1 334	-	351	1 685	1 685	-	100.0%	4 289	4 289
Inventory: Other supplies	1	-	(1)	-	-	-	-	-	-
Consumable supplies	6 607	-	(993)	5 614	5 614	-	100.0%	3 758	3 758
Consumable: Stationery, printing and office supplies	13 263	-	4	13 267	13 267	-	100.0%	13 064	13 064
Operating leases	61 613	-	(2 504)	59 109	59 109	-	100.0%	78 846	78 846
Property payments	85 652	-	1 304	86 956	86 956	-	100.0%	77 736	77 736
Transport provided: Departmental activity	180 403	-	(38 513)	141 890	141 890	-	100.0%	127 636	130 779
Travel and subsistence	56 297	-	3 390	59 687	59 687	-	100.0%	56 754	56 754
Training and development	6 342	-	(2 898)	3 444	3 444	-	100.0%	8 296	8 296
Operating payments	10 730	-	(1 399)	9 331	9 331	-	100.0%	5 989	5 989
Venues and facilities	13 158	-	6 337	19 495	19 495	-	100.0%	12 173	12 173
Rental and hiring	447 817	-	(45 302)	402 515	402 515	-	100.0%	359 501	359 501
Interest and rent on land	-	-	5	5	5	-	100.0%	73	73
Interest (incl. interest on unitary payments (PPP))	-	-	5	5	5	-	100.0%	73	73
<b>Transfers and subsidies</b>	<b>1 036 808</b>	-	<b>(8 516)</b>	<b>1 028 292</b>	<b>1 028 292</b>	-	<b>100.0%</b>	<b>929 182</b>	<b>931 273</b>
Provinces and municipalities	3 982	-	111	4 093	4 093	-	100.0%	4 281	4 281
Provinces	3 982	-	111	4 093	4 093	-	100.0%	4 281	4 281



APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Appropriation per economic classification										
	2014/15							2013/14		
	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
Provincial agencies and funds	3 982	-	111	4 093	4 093	-	100.0%	4 281	4 281	
Departmental agencies and accounts	4 522	-	-	4 522	4 522	-	100.0%	-	-	
Departmental agencies (non-business entities)	4 522	-	-	4 522	4 522	-	100.0%	-	-	
Public corporations and private enterprises	1 002 829	-	(16 977)	985 852	985 852	-	100.0%	913 776	915 867	
Private enterprises	1 002 829	-	(16 977)	985 852	985 852	-	100.0%	913 776	915 867	
Subsidies on products and production (pe)	996 829	-	(11 877)	984 952	984 952	-	100.0%	912 325	914 416	
Other transfers to private enterprises	6 000	-	(5 100)	900	900	-	100.0%	1 451	1 451	
Households	25 475	-	8 350	33 825	33 825	-	100.0%	11 125	11 125	
Social benefits	10 347	-	1 051	11 398	11 398	-	100.0%	7 706	7 706	
Other transfers to households	15 128	-	7 299	22 427	22 427	-	100.0%	3 419	3 419	
<b>Payments for capital assets</b>	<b>3 585 078</b>	-	<b>259 416</b>	<b>3 844 494</b>	<b>3 845 558</b>	<b>(1 064)</b>	<b>100.0%</b>	<b>3 172 281</b>	<b>3 176 153</b>	
Buildings and other fixed structures	3 438 362	-	236 194	3 674 556	3 675 620	(1 064)	100.0%	3 092 799	3 096 671	
Other fixed structures	3 438 362	-	236 194	3 674 556	3 675 620	(1 064)	100.0%	3 092 799	3 096 671	
Machinery and equipment	145 623	-	20 813	166 436	166 436	-	100.0%	75 151	75 151	
Transport equipment	134 499	-	10 726	145 225	145 225	-	100.0%	65 851	65 851	
Other machinery and equipment	11 124	-	10 087	21 211	21 211	-	100.0%	9 300	9 300	
Software and other intangible assets	1 093	-	2 409	3 502	3 502	-	100.0%	4 331	4 331	
<b>Payment for financial assets</b>	<b>231</b>	-	<b>149</b>	<b>380</b>	<b>380</b>	<b>-</b>	<b>100.0%</b>	<b>581</b>	<b>581</b>	
	<b>9 050 885</b>	-	-	<b>9 050 885</b>	<b>9 051 949</b>	<b>(1 064)</b>	<b>100.0%</b>	<b>8 046 081</b>	<b>8 055 187</b>	

APPROPRIATION STATEMENT  
for the year ended 31 March 2015

PROGRAMME 1: ADMINISTRATION										
2014/15							2013/14			
Sub programme	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	
<b>Sub programme</b>										
1. <b>Office of the MEC</b>	12 530	-	(529)	12 001	12 001	-	100.0%	10 063	10 063	
2. <b>Management</b>	10 150	-	(2 600)	7 550	7 550	-	100.0%	7 254	7 254	
3. <b>Corporate Support</b>	211 574	-	10 531	222 105	222 105	-	100.0%	227 814	227 814	
4. <b>Departmental Strategy</b>	19 560	-	(2 244)	17 316	17 316	-	100.0%	12 173	12 173	
	<b>253 814</b>	<b>-</b>	<b>5 158</b>	<b>258 972</b>	<b>258 972</b>	<b>-</b>	<b>100.0%</b>	<b>257 304</b>	<b>257 304</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>235 082</b>	<b>-</b>	<b>(2 591)</b>	<b>232 491</b>	<b>232 491</b>	<b>-</b>	<b>100.0%</b>	<b>230 286</b>	<b>230 286</b>	
Compensation of employees	113 012	-	(5 578)	107 434	107 434	-	100.0%	97 907	97 907	
Salaries and wages	100 503	-	(6 376)	94 127	94 127	-	100.0%	86 051	86 051	
Social contributions	12 509	-	798	13 307	13 307	-	100.0%	11 856	11 856	
Goods and services	122 070	-	2 982	125 052	125 052	-	100.0%	132 306	132 306	
Administrative fees	282	-	68	350	350	-	100.0%	7	7	
Advertising	2 623	-	(98)	2 525	2 525	-	100.0%	1 501	1 501	
Minor assets	819	-	175	994	994	-	100.0%	904	904	
Audit costs: External	6 502	-	59	6 561	6 561	-	100.0%	5 732	5 732	
Bursaries: Employees	428	-	14	442	442	-	100.0%	1 554	1 554	
Catering: Departmental activities	1 226	-	703	1 929	1 929	-	100.0%	1 118	1 118	
Communication (G&S)	13 854	-	504	14 358	14 358	-	100.0%	12 120	12 120	
Computer services	20 739	-	11 268	32 007	32 007	-	100.0%	20 794	20 794	
Consultants: Business and advisory services	8 464	-	1 741	10 205	10 205	-	100.0%	14 322	14 322	



APPROPRIATION STATEMENT  
for the year ended 31 March 2015

PROGRAMME 1: ADMINISTRATION										
		2014/15						2013/14		
		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
	Infrastructure and planning services	1 498	-	(1 498)	-	-	-	-	5 838	5 838
	Legal services	18 647	-	(6 362)	12 285	12 285	-	100.0%	16 010	16 010
	Contractors	16 516	-	(1 314)	15 202	15 202	-	100.0%	19 277	19 277
	Agency and support / outsourced services	999	-	318	1 317	1 317	-	100.0%	277	277
	Entertainment	21	-	(8)	13	13	-	100.0%	1	1
	Fleet services (including government motor transport)	2 386	-	(164)	2 222	2 222	-	100.0%	2 974	2 974
	Inventory: Clothing material and accessories	16	-	-	16	16	-	100.0%	26	26
	Inventory: Food and food supplies	464	-	9	473	473	-	100.0%	361	361
	Inventory: Fuel, oil and gas	37	-	(37)	-	-	-	-	-	-
	Inventory: Learner and teacher support material	324	-	(62)	262	262	-	100.0%	324	324
	Inventory: Materials and supplies	14	-	(2)	12	12	-	100.0%	-	-
	Inventory: Medicine	1 283	-	374	1 657	1 657	-	100.0%	4 274	4 274
	Consumable supplies	1 566	-	(792)	774	774	-	100.0%	414	414
	Consumable: Stationery, printing and office supplies	1 289	-	166	1 455	1 455	-	100.0%	1 893	1 893
	Operating leases	4 518	-	(560)	3 958	3 958	-	100.0%	2 198	2 198
	Property payments	4 722	-	(248)	4 474	4 474	-	100.0%	5 080	5 080
	Transport provided: Departmental activity	1 580	-	(341)	1 239	1 239	-	100.0%	321	321

APPROPRIATION STATEMENT  
for the year ended 31 March 2015

PROGRAMME 1: ADMINISTRATION										
		2014/15						2013/14		
		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
	Travel and subsistence	6 750	-	2 060	8 810	8 810	-	100.0%	9 074	9 074
	Training and development	2 453	-	(2 036)	417	417	-	100.0%	5 379	5 379
	Operating payments	893	-	237	656	656	-	100.0%	426	426
	Venues and facilities	1 157	-	(718)	439	439	-	100.0%	107	107
	Interest and rent on land	-	-	5	5	5	-	100.0%	73	73
	Interest (Incl. interest on unitary payments (PPP))	-	-	5	5	5	-	100.0%	73	73
	<b>Transfers and subsidies</b>	<b>11 761</b>	<b>-</b>	<b>(2 134)</b>	<b>9 627</b>	<b>9 627</b>	<b>-</b>	<b>100.0%</b>	<b>2 270</b>	<b>2 270</b>
	Provinces and municipalities	78	-	(22)	56	56	-	100.0%	14	14
	Provinces	78	-	(22)	56	56	-	100.0%	14	14
	Provincial agencies and funds	78	-	(22)	56	56	-	100.0%	14	14
	Departmental agencies and accounts	4 522	-	-	4 522	4 522	-	100.0%	-	-
	Departmental agencies (non-business entities)	4 522	-	-	4 522	4 522	-	100.0%	-	-
	Households	7 161	-	(2 112)	5 049	5 049	-	100.0%	2 256	2 256
	Social benefits	332	-	1 154	1 486	1 486	-	100.0%	1 030	1 030
	Other transfers to households	6 829	-	(3 266)	3 563	3 563	-	100.0%	1 226	1 226
	<b>Payments for capital assets</b>	<b>6 922</b>	<b>-</b>	<b>9 875</b>	<b>16 797</b>	<b>16 797</b>	<b>-</b>	<b>100.0%</b>	<b>24 254</b>	<b>24 254</b>
	Machinery and equipment	6 072	-	8 288	14 360	14 360	-	100.0%	20 479	20 479
	Transport equipment	-	-	-	-	-	-	-	18 945	18 945
	Other machinery and equipment	6 072	-	8 288	14 360	14 360	-	100.0%	1 534	1 534
	Software and other intangible assets	850	-	1 587	2 437	2 437	-	100.0%	3 775	3 775
	<b>Payment for financial assets</b>	<b>49</b>	<b>-</b>	<b>8</b>	<b>57</b>	<b>57</b>	<b>-</b>	<b>100.0%</b>	<b>494</b>	<b>494</b>
		<b>253 814</b>	<b>-</b>	<b>5 158</b>	<b>258 972</b>	<b>258 972</b>	<b>-</b>	<b>100.0%</b>	<b>257 304</b>	<b>257 304</b>



APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Sub programme: 1.1: Office of the MEC									
2014/15								2013/14	
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
<b>Current payments</b>	11 668	-	(501)	11 167	11 167	-	100.0%	10 063	10 063
Compensation of employees	5 929	-	(515)	5 414	5 414	-	100.0%	5 178	5 178
Salaries and wages	4 972		(195)	4 777	4 777	-	100.0%	4 563	4 563
Social contributions	957		(320)	637	637	-	100.0%	615	615
Goods and services	5 739	-	14	5 753	5 753	-	100.0%	4 885	4 885
Administrative fees	110		15	125	125	-	100.0%	2	2
Advertising	-		-	-	-	-	-	50	50
Minor assets	-		-	-	-	-	-	4	4
Catering: Departmental activities	185		343	528	528	-	100.0%	327	327
Communication (G&S)	353		(108)	245	245	-	100.0%	266	266
Contractors	270		17	287	287	-	100.0%	281	281
Entertainment	19		(19)	-	-	-	-	1	1
Fleet services (including government motor transport)	1 433		(69)	1 364	1 364	-	100.0%	983	983
Inventory: Food and food supplies	49		(4)	45	45	-	100.0%	17	17
Inventory: Learner and teacher support material	44		(16)	28	28	-	100.0%	3	3
Consumable: Stationery, printing and office supplies	170		16	186	186	-	100.0%	153	153
Operating leases	176		9	185	185	-	100.0%	205	205
Property payments	151		43	194	194	-	100.0%	182	182
Travel and subsistence	2 715		(177)	2 538	2 538	-	100.0%	2 344	2 344
Training and development	-		-	-	-	-	-	20	20
Venues and facilities	64		(36)	28	28	-	100.0%	47	47
<b>Transfers and subsidies</b>	2	-	2	4	4	-	100.0%	-	-

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2015

Provinces and municipalities	2	-	2	4	4	-	100.0%	-	-
Provinces	2	-	2	4	4	-	100.0%	-	-
Provincial agencies and funds	2		2	4	4	-	100.0%		
<b>Payments for capital assets</b>	<b>860</b>	<b>-</b>	<b>(30)</b>	<b>830</b>	<b>830</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Machinery and equipment	860	-	(30)	830	830	-	100.0%	-	-
Other machinery and equipment	860		(30)	830	830	-	100.0%	-	-
<b>Total</b>	<b>12 530</b>	<b>-</b>	<b>(529)</b>	<b>12 001</b>	<b>12 001</b>	<b>-</b>	<b>100.0%</b>	<b>10 063</b>	<b>10 063</b>

Sub programme: 1.2: Management									
	2014/15							2013/14	
	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	10 047		(2 544)	7 503	7 503		100.0%	7 254	7 254
Compensation of employees	3 257		(105)	3 152	3 152		100.0%	2 805	2 805
Salaries and wages	2 978		(142)	2 836	2 836		100.0%	2 516	2 516
Social contributions	279		37	316	316		100.0%	289	289
Goods and services	6 790		(2 439)	4 351	4 351		100.0%	4 449	4 449
Administrative fees	19		(3)	16	16		100.0%	-	-
Advertising	-		91	91	91		100.0%	25	25
Minor assets	70		(70)	-	-		-	2	2
Catering: Departmental activities	72		24	96	96		100.0%	46	46
Communication (G&S)	126		(33)	93	93		100.0%	99	99
Infrastructure and planning services	1 498		(1 498)	-	-		-	1 895	1 895
Legal services	1 768		(708)	1 060	1 060		100.0%	687	687
Contractors	406		(201)	205	205		100.0%	55	55
Agency and support / outsourced services	-		578	578	578		100.0%		



APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Sub programme: 1.2: Management									
Economic classification	2014/15						2013/14		
	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
Entertainment	2		(2)	-	-		-		
Fleet services (including government motor transport)	188		136	324	324		100.0%	483	483
Inventory: Clothing material and accessories	16			16	16		100.0%	19	19
Inventory: Materials and supplies	2		(2)	-	-		-	-	-
Consumable supplies	1 253		(716)	537	537		100.0%	175	175
Consumable: Stationery, printing and office supplies	18		(3)	15	15		100.0%	340	340
Operating leases	144		7	151	151		100.0%	124	124
Property payments	503		(181)	322	322		100.0%	2	2
Transport provided: Departmental activity	350		125	475	475		100.0%	309	309
Travel and subsistence	303		17	320	320		100.0%	122	122
Training and development	-		-	-	-		-	7	7
Venues and facilities	52		-	52	52		100.0%	59	59
<b>Transfers and subsidies</b>	<b>2</b>		<b>-</b>	<b>2</b>	<b>2</b>		<b>100.0%</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	2		-	2	2		100.0%	-	-
Provinces	2		-	2	2		100.0%	-	-
Provincial agencies and funds	2		-	2	2		100.0%	-	-
<b>Payments for capital assets</b>	<b>101</b>		<b>(56)</b>	<b>45</b>	<b>45</b>		<b>100.0%</b>	<b>-</b>	<b>-</b>
Machinery and equipment	101		(56)	45	45		100.0%	-	-
Other machinery and equipment	101		(56)	45	45		100.0%	-	-
<b>Total</b>	<b>10 150</b>	<b>-</b>	<b>(2 600)</b>	<b>7 550</b>	<b>7 550</b>	<b>-</b>	<b>100.0%</b>	<b>7 254</b>	<b>7 254</b>

APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Sub programme: 1.3: Corporate Support									
Economic classification	2014/15						2013/14		
	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
<b>Current payments</b>	<b>193 882</b>		<b>2 720</b>	<b>196 602</b>	<b>196 602</b>	-	<b>100.0%</b>	<b>200 796</b>	<b>200 796</b>
Compensation of employees	90 511		( 316)	90 195	90 195	-	100.0%	84 032	84 032
Salaries and wages	80 233		(1 298)	78 935	78 935	-	100.0%	73 850	73 850
Social contributions	10 278		982	11 260	11 260	-	100.0%	10 182	10 182
Goods and services	103 371		3 031	106 402	106 402	-	100.0%	116 691	116 691
Administrative fees	41		59	200	200	-	100.0%	5	5
Advertising	2 576		(168)	2 408	2 408	-	100.0%	1 426	1 426
Minor assets	742		246	988	988	-	100.0%	895	895
Audit costs: External	6 502		59	6 561	6 561	-	100.0%	5 732	5 732
Bursaries: Employees	428		14	442	442	-	100.0%	1 554	1 554
Catering: Departmental activities	960		336	1 296	1 296	-	100.0%	744	744
Communication (G&S)	13 257		687	13 944	13 944	-	100.0%	11 649	11 649
Computer services	20 739		11 268	32 007	32 007	-	100.0%	20 794	20 794
Consultants: Business and advisory services	3 986		(822)	3 164	3 164	-	100.0%	8 780	8 780
Infrastructure and planning services	-		-	-	-	-	-	3 943	3 943
Legal services	16 879		(5 654)	11 225	11 225	-	100.0%	15 198	15 198
Contractors	15 840		(1 130)	14 710	14 710	-	100.0%	18 941	18 941
Agency and support / outsourced services	999		(260)	739	739	-	100.0%	277	277
Entertainment	-		13	13	13	-	100.0%	-	-
Fleet services (including government motor transport)	685		(417)	268	268	-	100.0%	1 455	1 455
Inventory: Clothing material and accessories	-		-	-	-	-	-	7	7
Inventory: Food and food supplies	411		17	428	428	-	100.0%	342	342



APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Sub programme: 1.3: Corporate Support									
2014/15							2013/14		
Economic classification	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: Learner and teacher support material	280		(46)	234	234	-	100.0%	321	321
Inventory: Materials and supplies	12		-	12	12	-	100.0%	-	-
Inventory: Medicine	1 283		374	1 657	1 657	-	100.0%	4 274	4 274
Consumable supplies	313		(76)	237	237	-	100.0%	239	239
Consumable: Stationery, printing and office supplies	1 000		188	1 188	1 188	-	100.0%	1 354	1 354
Operating leases	4 079		(572)	3 507	3 507	-	100.0%	1 761	1 761
Property payments	4 068		(110)	3 958	3 958	-	100.0%	4 896	4 896
Transport provided: Departmental activity	1 230		(466)	764	764	-	100.0%	12	12
Travel and subsistence	2 677		2 386	5 063	5 063	-	100.0%	6 337	6 337
Training and development	2 430		(2 016)	414	414	-	100.0%	5 328	5 328
Operating payments	813		(197)	616	616	-	100.0%	426	426
Venues and facilities	1 041		(682)	359	359	-	100.0%	1	1
Interest and rent on land	-		5	5	5	-	100.0%	73	73
Interest (Incl. interest on unitary payments (PPP))			5	5	5	-	100.0%	73	73
<b>Transfers and subsidies</b>	<b>11 757</b>		<b>(2 137)</b>	<b>9 620</b>	<b>9 620</b>	<b>-</b>	<b>100.0%</b>	<b>2 270</b>	<b>2 270</b>
Provinces and municipalities	74		(25)	49	49	-	100.0%	14	14
Provinces	74		(25)	49	49	-	100.0%	14	14
Provincial agencies and funds	74		(25)	49	49	-	100.0%	14	14
Departmental agencies and accounts	4 522		-	4 522	4 522	-	100.0%	-	-
Departmental agencies (non-business entities)	4 522		-	4 522	4 522	-	100.0%	-	-
Households	7 161		(2 112)	5 049	5 049	-	100.0%	2 256	2 256
Social benefits	332		1 154	1 486	1 486	-	100.0%	1 030	1 030

# APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub programme: 1.3: Corporate Support									
2014/15							2013/14		
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
Other transfers to households	6 829		(3 266)	3 563	3 563	-	100.0%	1 226	1 226
<b>Payments for capital assets</b>	<b>5 886</b>		<b>9 940</b>	<b>15 826</b>	<b>15 826</b>	-	<b>100.0%</b>	<b>24 254</b>	<b>24 254</b>
Machinery and equipment	5 036		8 353	13 389	13 389	-	100.0%	20 479	20 479
Transport equipment	-		-	-	-	-	-	18 945	18 945
Other machinery and equipment	5 036		8 353	13 389	13 389	-	100.0%	1 534	1 534
Software and other intangible assets	850		1 587	2 437	2 437	-	100.0%	3 775	3 775
<b>Payment for financial assets</b>	<b>49</b>		<b>8</b>	<b>57</b>	<b>57</b>	-	<b>100.0%</b>	<b>494</b>	<b>494</b>
<b>Total</b>	<b>211 574</b>	<b>-</b>	<b>10 531</b>	<b>222 105</b>	<b>222 105</b>	<b>-</b>	<b>100.0%</b>	<b>227 814</b>	<b>227 814</b>

Sub programme: 1.4: Departmental Strategy									
2014/15							2013/14		
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
<b>Current payments</b>	<b>19 485</b>	<b>-</b>	<b>(2 266)</b>	<b>17 219</b>	<b>17 219</b>	<b>-</b>	<b>100.0%</b>	<b>12 173</b>	<b>12 173</b>
Compensation of employees	13 315	-	(4 642)	8 673	8 673	-	100.0%	5 892	5 892
Salaries and wages	12 320		(4 741)	7 579	7 579	-	100.0%	5 122	5 122
Social contributions	995		99	1 094	1 094	-	100.0%	770	770
Goods and services	6 170	-	2 376	8 546	8 546	-	100.0%	6 281	6 281
Administrative fees	12		(3)	9	9	-	100.0%	-	-
Advertising	47		(21)	26	26	-	100.0%	-	-
Minor assets	7		(1)	6	6	-	100.0%	3	3



APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Sub programme: 1.4: Departmental Strategy										
Economic classification	2014/15						2013/14			
	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	9			9	9	-	100.0%	1	1	1
Communication (G&S)	118		(42)	76	76	-	100.0%	106	106	106
Consultants: Business and advisory services	4 478		2 563	7 041	7 041	-	100.0%	5 542	5 542	5 542
Legal services	-			-	-	-	-	125	125	125
Fleet services (including government motor transport)	80		186	266	266	-	100.0%	53	53	53
Inventory: Food and food supplies	4		(4)	-	-	-	-	2	2	2
Inventory: Fuel, oil and gas	37		(37)	-	-	-	-			
Consumable: Stationery, printing and office supplies	101		(35)	66	66	-	100.0%	46	46	46
Operating leases	119		(4)	115	115	-	100.0%	108	108	108
Travel and subsistence	1 055		(166)	889	889	-	100.0%	271	271	271
Training and development	23		(20)	3	3	-	100.0%	24	24	24
Operating payments	80		(40)	40	40	-	100.0%			
<b>Transfers and subsidies</b>	-	-	<b>1</b>	<b>1</b>	<b>1</b>	-	<b>100.0%</b>	-	-	-
Provinces and municipalities	-	-	1	1	1	-	100.0%	-	-	-
Provinces	-	-	1	1	1	-	100.0%	-	-	-
Provincial agencies and funds			1	1	1	-	100.0%			
<b>Payments for capital assets</b>	<b>75</b>	-	<b>21</b>	<b>96</b>	<b>96</b>	-	<b>100.0%</b>	-	-	-
Machinery and equipment	75	-	21	96	96	-	100.0%	-	-	-
Other machinery and equipment	75		21	96	96	-	100.0%			
<b>Total</b>	<b>19 560</b>	-	<b>(2 244)</b>	<b>17 316</b>	<b>17 316</b>	-	<b>100.0%</b>	<b>12 173</b>	<b>12 173</b>	<b>12 173</b>

APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Programme 2: Transport Infrastructure										
2014/15							2013/14			
	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
<b>Sub programme</b>										
1. Programme Support Infrastructure	192 094	-	-	260 565	260 565	-	100.0%	138 153	138 153	
2. Infrastructure Planning	49 480	-	(11 592)	37 888	37 888	-	100.0%	27 496	27 496	
3. Infrastructure Design	26 970	-	(229)	26 741	26 741	-	100.0%	19 379	19 379	
4. Construction	3 445 285	-	229 271	3 674 556	3 675 620	(1 064)	100.0%	3 092 799	3 096 671	
5. Maintenance	3 114 089	-	(293 384)	2 820 705	2 820 705	-	100.0%	2 709 259	2 709 259	
	<b>6 827 918</b>	<b>-</b>	<b>(7 463)</b>	<b>6 820 455</b>	<b>6 821 519</b>	<b>(1 064)</b>	<b>100.0%</b>	<b>5 987 086</b>	<b>5 990 958</b>	
<b>Economic classification</b>										
Current payments	3 263 654	-	(249 959)	3 013 695	3 013 695	-	100.0%	2 846 087	2 846 087	
Compensation of employees	723 586	-	13 943	737 529	737 529	-	100.0%	690 481	690 481	
Salaries and wages	659 175	-	23 431	682 606	682 606	-	100.0%	636 498	636 498	
Social contributions	64 411	-	(9 488)	54 923	54 923	-	100.0%	53 983	53 983	
Goods and services	2 540 068	-	(263 902)	2 276 166	2 276 166	-	100.0%	2 155 606	2 155 606	
Administrative fees	652	-	(184)	468	468	-	100.0%	2	2	
Advertising	348	-	330	678	678	-	100.0%	1 243	1 243	
Minor assets	3 419	-	(502)	2 917	2 917	-	100.0%	3 071	3 071	
Audit costs: External	206	-	169	375	375	-	100.0%	620	620	



APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Programme 2: Transport Infrastructure										
		2014/15						2013/14		
		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	2 310	-	(126)	2 184	2 184	-	100.0%	3 213	3 213
	Communication (G&S)	11 941	-	(1 590)	10 351	10 351	-	100.0%	11 841	11 841
	Computer services	3 318	-	(48)	3 270	3 270	-	100.0%	1 572	1 572
	Consultants: Business and advisory services	110 099	-	(20 811)	89 288	89 288	-	100.0%	26 174	26 174
	Infrastructure and planning services	97 559	-	9 809	107 368	107 368	-	100.0%	68 935	68 935
	Laboratory services	237	-	198	435	435	-	100.0%	305	305
	Legal services	2 288	-	147	2 435	2 435	-	100.0%	3 284	3 284
	Contractors	1 600 463	-	(233 052)	1 367 411	1 367 411	-	100.0%	1 401 613	1 401 613
	Agency and support / outsourced services	7 250	-	(7 168)	82	82	-	100.0%	2 956	2 956
	Entertainment	-	-	-	-	-	-	-	9	9
	Fleet services (including government motor transport)	19 272	-	15 331	34 603	34 603	-	100.0%	32 313	32 313
	Inventory: Clothing material and accessories	4 622	-	(629)	3 993	3 993	-	100.0%	2 263	2 263
	Inventory: Food and food supplies	293	-	(65)	228	228	-	100.0%	194	194
	Inventory: Fuel, oil and gas	17 882	-	22 270	40 152	40 152	-	100.0%	34 290	34 290
	Inventory: Learner and teacher support material	1	-	(1)	-	-	-	-	-	-
	Inventory: Materials and supplies	72 324	-	8 845	81 169	81 169	-	100.0%	62 791	62 791
	Inventory: Medical supplies	2	-	(2)	-	-	-	-	-	-
	Inventory: Medicine	50	-	(23)	27	27	-	100.0%	15	15
	Consumable supplies	2 367	-	(276)	2 091	2 091	-	100.0%	2 308	2 308

APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Programme 2: Transport Infrastructure										
2014/15							2013/14			
	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: Stationery, printing and office supplies	2 408	-	182	2 590	2 590	-	100.0%	2 414	2 414	2 414
Operating leases	37 527	-	(2 968)	34 559	34 559	-	100.0%	56 769	56 769	56 769
Property payments	51 156	-	(2 507)	48 649	48 649	-	100.0%	44 661	44 661	44 661
Transport provided: Departmental activity	3 844	-	(431)	3 413	3 413	-	100.0%	3 702	3 702	3 702
Travel and subsistence	27 377	-	(2 110)	25 267	25 267	-	100.0%	22 745	22 745	22 745
Training and development	2 759	-	(658)	2 101	2 101	-	100.0%	2 052	2 052	2 052
Operating payments	6 160	-	(2 706)	3 454	3 454	-	100.0%	2 492	2 492	2 492
Venues and facilities	4 546	-	(20)	4 526	4 526	-	100.0%	4 302	4 302	4 302
Rental and hiring	447 388	-	(45 306)	402 082	402 082	-	100.0%	357 457	357 457	357 457
<b>Transfers and subsidies</b>	<b>19 164</b>	<b>-</b>	<b>10 433</b>	<b>29 597</b>	<b>29 597</b>	<b>-</b>	<b>100.0%</b>	<b>11 037</b>	<b>11 037</b>	<b>11 037</b>
Provinces and municipalities	3 234	-	52	3 286	3 286	-	100.0%	3 881	3 881	3 881
Provinces	3 234	-	52	3 286	3 286	-	100.0%	3 881	3 881	3 881
Provincial agencies and funds	3 234	-	52	3 286	3 286	-	100.0%	3 881	3 881	3 881
Households	15 930	-	10 381	26 311	26 311	-	100.0%	7 156	7 156	7 156
Social benefits	7 861	-	(411)	7 450	7 450	-	100.0%	5 187	5 187	5 187
Other transfers to households	8 069	-	10 792	18 861	18 861	-	100.0%	1 969	1 969	1 969
<b>Payments for capital assets</b>	<b>3 544 983</b>	<b>-</b>	<b>232 036</b>	<b>3 777 019</b>	<b>3 778 083</b>	<b>(1 064)</b>	<b>100.0%</b>	<b>3 129 892</b>	<b>3 133 764</b>	<b>3 133 764</b>
Buildings and other fixed structures	3 438 362	-	236 194	3 674 556	3 675 620	(1 064)	100.0%	3 092 799	3 096 671	3 096 671
Other fixed structures	3 438 362	-	236 194	3 674 556	3 675 620	(1 064)	100.0%	3 092 799	3 096 671	3 096 671
Machinery and equipment	106 378	-	(4 980)	101 398	101 398	-	100.0%	36 537	36 537	36 537
Transport equipment	103 177	-	(3 902)	99 275	99 275	-	100.0%	29 834	29 834	29 834



APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Programme 2: Transport Infrastructure									
2014/15							2013/14		
	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
Other machinery and equipment	3 201	-	(1 078)	2 123	2 123	-	100.0%	6 703	6 703
Software and other intangible assets	243	-	822	1 065	1 065	-	100.0%	556	556
Payment for financial assets	117	-	27	144	144	-	100.0%	70	70
	6 827 918	-	(7 463)	6 820 455	6 821 519	(1 064)	100.0%	5 987 086	5 990 958

Sub programme: 2.1: Programme Support Infrastructure									
2014/15							2013/14		
	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
<b>Economic classification</b>									
Current payments	189 258	-	49 307	238 565	238 565	-	100.0%	130 935	130 935
Compensation of employees	68 036	-	1 549	69 585	69 585	-	100.0%	68 181	68 181
Salaries and wages	58 677		2 109	60 786	60 786	-	100.0%	59 676	59 676
Social contributions	9 359		(560)	8 799	8 799	-	100.0%	8 505	8 505
Goods and services	121 222	-	47 758	168 980	168 980	-	100.0%	62 754	62 754
Administrative fees	107		(37)	70	70	-	100.0%	-	-
Advertising	229		333	562	562	-	100.0%	904	904
Minor assets	329		(2)	327	327	-	100.0%	204	204
Audit costs: External	196		179	375	375	-	100.0%	620	620
Catering: Departmental activities	2 268		(130)	2 138	2 138	-	100.0%	3 189	3 189
Communication (G&S)	4 772		(397)	4 375	4 375	-	100.0%	5 889	5 889
Computer services	25		(12)	13	13	-	100.0%	93	93

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2015

Sub programme: 2.1: Programme Support Infrastructure									
Economic classification	2014/15						2013/14		
	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
Consultants: Business and advisory services	63 936		5 436	69 372	69 372	-	100.0%	954	954
Infrastructure and planning services	6 305		10 265	16 570	16 570	-	100.0%	11 140	11 140
Laboratory services	37		277	314	314	-	100.0%	257	257
Legal services	2 288		147	2 435	2 435	-	100.0%	3 582	3 582
Contractors	-		14 972	14 972	14 972	-	100.0%	4 274	4 274
Agency and support / outsourced services	175		(94)	81	81	-	100.0%	560	560
Entertainment	-			-	-	-	-	9	9
Fleet services (including government motor transport)	12 102		14 681	26 783	26 783	-	100.0%	5 582	5 582
Inventory: Clothing material and accessories	120		140	260	260	-	100.0%	214	214
Inventory: Food and food supplies	93		(6)	87	87	-	100.0%	93	93
Inventory: Fuel, oil and gas	182		(182)	-	-	-	-	1	1
Inventory: Learner and teacher support material	1		(1)	-	-	-	-		
Inventory: Materials and supplies	271			271	271	-	100.0%	87	87
Inventory: Medicine	10		(4)	6	6	-	100.0%	15	15
Consumable supplies	153		50	203	203	-	100.0%	213	213
Consumable: Stationery, printing and office supplies	740		270	1 010	1 010	-	100.0%	882	882
Operating leases	1 191		247	1 438	1 438	-	100.0%	683	683
Property payments	6 608		1 031	7 639	7 639	-	100.0%	5 713	5 713
Transport provided: Departmental activity	3 441		(42)	3 399	3 399	-	100.0%	3 639	3 639
Travel and subsistence	6 118		(169)	5 949	5 949	-	100.0%	7 018	7 018
Training and development	1 768		229	1 997	1 997	-	100.0%	1 408	1 408
Operating payments	2 182		(1 400)	782	782	-	100.0%	616	616
Venues and facilities	4 525		1	4 526	4 526	-	100.0%	4 302	4 302



**APPROPRIATION STATEMENT**  
for the year ended 31 March 2015

<b>Sub programme: 2.1: Programme Support Infrastructure</b>									
<b>Economic classification</b>	<b>2014/15</b>						<b>2013/14</b>		
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Rental and hiring	1 050		1 976	3 026	3 026	-	100.0%	613	613
<b>Transfers and subsidies</b>	<b>1 476</b>	<b>-</b>	<b>18 509</b>	<b>19 985</b>	<b>19 985</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	-	-	25	25	25	-	100.0%	-	-
Provinces	-	-	25	25	25	-	100.0%	-	-
Provincial agencies and funds			25	25	25	-	100.0%		
Households	1 476	-	18 484	19 960	19 960	-	100.0%	-	-
Social benefits	429		725	1 154	1 154	-	100.0%		
Other transfers to households	1 047		17 759	18 806	18 806	-	100.0%		
<b>Payments for capital assets</b>	<b>1 323</b>	<b>-</b>	<b>655</b>	<b>1 978</b>	<b>1 978</b>	<b>-</b>	<b>100.0%</b>	<b>7 214</b>	<b>7 214</b>
Machinery and equipment	1 303	-	230	1 533	1 533	-	100.0%	7 206	7 206
Transport equipment	-			-		-	-	1 663	1 663
Other machinery and equipment	1 303		230	1 533	1 533	-	100.0%	5 543	5 543
Software and other intangible assets	20		425	445	445	-	100.0%	8	8
<b>Payment for financial assets</b>	<b>37</b>			<b>37</b>	<b>37</b>	<b>-</b>	<b>100.0%</b>	<b>4</b>	<b>4</b>
<b>Total</b>	<b>192 094</b>	<b>-</b>	<b>68 471</b>	<b>260 565</b>	<b>260 565</b>	<b>-</b>	<b>100.0%</b>	<b>138 153</b>	<b>138 153</b>

APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Sub programme: 2.2: Infrastructure Planning									
2014/15							2013/14		
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
<b>Current payments</b>	<b>49 318</b>	<b>-</b>	<b>(11 592)</b>	<b>37 726</b>	<b>37 726</b>	<b>-</b>	<b>100.0%</b>	<b>27 495</b>	<b>27 495</b>
Compensation of employees	10 710	-	102	10 812	10 812	-	100.0%	10 490	10 490
Salaries and wages	8 590		575	9 165	9 165	-	100.0%	8 958	8 958
Social contributions	2 120		(473)	1 647	1 647	-	100.0%	1 532	1 532
Goods and services	38 608	-	(11 694)	26 914	26 914	-	100.0%	17 005	17 005
Administrative fees	13		4	17	17	-	100.0%		
Advertising	48		(26)	22	22	-	100.0%	279	279
Minor assets	-			-	-	-	-	8	8
Catering: Departmental activities	19		(9)	10	10	-	100.0%	-	-
Communication (G&S)	89		(23)	66	66	-	100.0%	42	42
Computer services	178		(100)	78	78	-	100.0%	-	-
Consultants: Business and advisory services	32 187		(19 308)	12 879	12 879	-	100.0%	14 208	14 208
Infrastructure and planning services	104		(75)	29	29	-	100.0%		
Contractors	2 682		7 654	10 336	10 336	-	100.0%		
Fleet services (including government motor transport)	1 116		248	1 364	1 364	-	100.0%	699	699
Inventory: Clothing material and accessories	2			2	2	-	100.0%	-	-
Inventory: Fuel, oil and gas	40		(40)	-	-	-	-		
Inventory: Materials and supplies	-		9	9	9	-	100.0%	-	-
Consumable supplies	-			-	-	-	-	1	1
Consumable: Stationery, printing and office supplies	20		(2)	18	18	-	100.0%	39	39
Operating leases	608		(6)	602	602	-	100.0%	122	122
Travel and subsistence	1 374		(33)	1 341	1 341	-	100.0%	1 336	1 336



APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Sub programme: 2.2: Infrastructure Planning									
2014/15								2013/14	
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	R'000
Training and development	-			-	-	-	-	156	156
Operating payments	128		13	141	141	-	100.0%	113	113
Rental and hiring	-			-	-	-	-	2	2
<b>Transfers and subsidies</b>	<b>162</b>		-	<b>162</b>	<b>162</b>	-	<b>100.0%</b>	-	-
Households	162		-	162	162	-	100.0%	-	-
Social benefits	162			162	162	-	100.0%		
<b>Payments for capital assets</b>	<b>-</b>		-	<b>-</b>	<b>-</b>	-	-	<b>1</b>	<b>1</b>
Software and other intangible assets				-		-	-	<b>1</b>	<b>1</b>
<b>Total</b>	<b>49 480</b>	<b>-</b>	<b>(11 592)</b>	<b>37 888</b>	<b>37 888</b>	<b>-</b>	<b>100.0%</b>	<b>27 496</b>	<b>27 496</b>

Subprogramme: 2.3: Infrastructure Design									
2014/15								2013/14	
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	R'000
<b>Current payments</b>	<b>22 938</b>	<b>-</b>	<b>(211)</b>	<b>22 727</b>	<b>22 727</b>	<b>-</b>	<b>100.0%</b>	<b>19 378</b>	<b>19 378</b>
Compensation of employees	15 558		795	16 353	16 353	-	100.0%	14 062	14 062
Salaries and wages	14 273		986	15 259	15 259	-	100.0%	12 940	12 940
Social contributions	1 285		(191)	1 094	1 094	-	100.0%	1 122	1 122
Goods and services	7 380		(1 006)	6 374	6 374	-	100.0%	5 316	5 316
Administrative fees	1		(1)	-	-	-	-	-	-
Advertising	68		-	68	68	-	100.0%	-	-

APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Subprogramme: 2.3: Infrastructure Design									
	2014/15						2013/14		
	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
Minor assets	-		63	63	63	-	100.0%	5	5
Catering: Departmental activities	1		(1)	-	-	-	-	-	-
Communication (G&S)	56		(18)	38	38	-	100.0%	45	45
Computer services	2 583		239	2 822	2 822	-	100.0%	1 017	1 017
Infrastructure and planning services	1 103		(194)	909	909	-	100.0%		
Contractors	736		(420)	316	316	-	100.0%	2 204	2 204
Fleet services (including government motor transport)	554		215	769	769	-	100.0%	1 004	1 004
Inventory: Fuel, oil and gas	193		(193)	-	-	-	-		
Inventory: Materials and supplies	1		(1)	-	-	-	-	4	4
Consumable: Stationery, printing and office supplies	60		(32)	28	28	-	100.0%	59	59
Operating leases	695		(476)	219	219	-	100.0%	182	182
Travel and subsistence	1 071		(68)	1 003	1 003	-	100.0%	666	666
Training and development	41		(20)	21	21	-	100.0%	43	43
Operating payments	217		(99)	118	118	-	100.0%	85	85
Transfers and subsidies	3 431	-	(43)	3 388	3 388	-	100.0%	-	-
Provinces and municipalities	3 200	-	33	3 233	3 233	-	100.0%	-	-
Provinces	3 200	-	33	3 233	3 233	-	100.0%	-	-
Provincial agencies and funds	3 200		33	3 233	3 233	-	100.0%		
Households	231	-	(76)	155	155	-	100.0%	-	-
Social benefits	231		(78)	153	153	-	100.0%		
Other transfers to households	-		2	2	2	-	100.0%		
Payments for capital assets	601	-	25	626	626	-	100.0%	-	-



APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Subprogramme: 2.3: Infrastructure Design									
2014/15							2013/14		
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
Machinery and equipment	398	-	(373)	25	25	-	100.0%	-	-
Other machinery and equipment	398		(373)	25	25	-	100.0%	-	-
Software and other intangible assets	203		398	601	601	-	100.0%	-	-
Payment for financial assets				-		-	-	1	1
<b>Total</b>	<b>26 970</b>	<b>-</b>	<b>(229)</b>	<b>26 741</b>	<b>26 741</b>	<b>-</b>	<b>100.0%</b>	<b>19 379</b>	<b>19 379</b>

Sub programme: 2.4: Construction									
2014/15							2013/14		
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
Transfers and subsidies	6 923	-	(6 923)	-	-	-	-	-	-
Households	6 923	-	(6 923)	-	-	-	-	-	-
Social benefits				-		-	-		
Other transfers to households	6 923		(6 923)	-		-	-		
<b>Payments for capital assets</b>	<b>3 438 362</b>	<b>-</b>	<b>236 194</b>	<b>3 674 556</b>	<b>3 675 620</b>	<b>(1 064)</b>	<b>100.0%</b>	<b>3 092 799</b>	<b>3 096 671</b>
Buildings and other fixed structures	3 438 362	-	236 194	3 674 556	3 675 620	(1 064)	100.0%	3 092 799	3 096 671
Other fixed structures	3 438 362		236 194	3 674 556	3 675 620	(1 064)	100.0%	3 092 799	3 096 671
<b>Total</b>	<b>3 445 285</b>	<b>-</b>	<b>229 271</b>	<b>3 674 556</b>	<b>3 675 620</b>	<b>(1 064)</b>	<b>100.0%</b>	<b>3 092 799</b>	<b>3 096 671</b>

APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Sub programme: 2.5: Maintenance									
Economic classification	2014/15						2013/14		
	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
<b>Current payments</b>	<b>3 002 140</b>	<b>-</b>	<b>(287 463)</b>	<b>2 714 677</b>	<b>2 714 677</b>	<b>-</b>	<b>100.0%</b>	<b>2 668 279</b>	<b>2 668 279</b>
Compensation of employees	629 282	-	11 497	640 779	640 779	-	100.0%	597 748	597 748
Salaries and wages	577 635	-	19 761	597 396	597 396	-	100.0%	554 924	554 924
Social contributions	51 647	-	(8 264)	43 383	43 383	-	100.0%	42 824	42 824
Goods and services	2 372 858	-	(298 960)	2 073 898	2 073 898	-	100.0%	2 070 531	2 070 531
Administrative fees	531	-	(150)	381	381	-	100.0%	2	2
Advertising	3	-	23	26	26	-	100.0%	60	60
Minor assets	3 090	-	(563)	2 527	2 527	-	100.0%	2 854	2 854
Audit costs: External	10	-	(10)	-	-	-	-	-	-
Catering: Departmental activities	22	-	14	36	36	-	100.0%	24	24
Communication (G&S)	7 024	-	(1 152)	5 872	5 872	-	100.0%	5 865	5 865
Computer services	532	-	(175)	357	357	-	100.0%	462	462
Consultants: Business and advisory services	13 976	-	(6 939)	7 037	7 037	-	100.0%	11 012	11 012
Infrastructure and planning services	90 047	-	(187)	89 860	89 860	-	100.0%	57 795	57 795
Laboratory services	200	-	(79)	121	121	-	100.0%	48	48
Legal services	-	-	-	-	-	-	-	(298)	(298)
Contractors	1 597 045	-	(255 258)	1 341 787	1 341 787	-	100.0%	1 395 135	1 395 135
Agency and support / outsourced services	7 075	-	(7 074)	1	1	-	100.0%	2 396	2 396
Fleet services (including government motor transport)	5 500	-	187	5 687	5 687	-	100.0%	25 028	25 028
Inventory: Clothing material and accessories	4 500	-	(769)	3 731	3 731	-	100.0%	2 047	2 047
Inventory: Food and food supplies	200	-	(59)	141	141	-	100.0%	101	101
Inventory: Fuel, oil and gas	17 467	-	22 685	40 152	40 152	-	100.0%	34 289	34 289



APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Sub programme: 2.5: Maintenance									
Economic classification	2014/15							2013/14	
	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	72 052		8 837	80 889	80 889	-	100.0%	62 700	62 700
Inventory: Medical supplies	2		(2)	-	-	-	-		
Inventory: Medicine	40		(19)	21	21	-	100.0%		
Consumable supplies	2 214		(326)	1 888	1 888	-	100.0%	2 094	2 094
Consumable: Stationery, printing and office supplies	1 588		(54)	1 534	1 534	-	100.0%	1 434	1 434
Operating leases	35 033		(2 733)	32 300	32 300	-	100.0%	55 782	55 782
Property payments	44 548		(3 538)	41 010	41 010	-	100.0%	38 948	38 948
Transport provided: Departmental activity	403		(389)	14	14	-	100.0%	63	63
Travel and subsistence	18 814		(1 840)	16 974	16 974	-	100.0%	13 725	13 725
Training and development	950		(867)	83	83	-	100.0%	445	445
Operating payments	3 633		(1 220)	2 413	2 413	-	100.0%	1 678	1 678
Venues and facilities	21		(21)	-	-	-	-		
Rental and hiring	446 338		(47 282)	399 056	399 056	-	100.0%	356 842	356 842
<b>Transfers and subsidies</b>	<b>7 172</b>	<b>-</b>	<b>(1 110)</b>	<b>6 062</b>	<b>6 062</b>	<b>-</b>	<b>100.0%</b>	<b>11 037</b>	<b>11 037</b>
Provinces and municipalities	34	-	(6)	28	28	-	100.0%	3 881	3 881
Provinces	34	-	(6)	28	28	-	100.0%	3 881	3 881
Provincial agencies and funds	34		(6)	28	28	-	100.0%	3 881	3 881
Households	7 138	-	(1 104)	6 034	6 034	-	100.0%	7 156	7 156
Social benefits	7 039		(1 058)	5 981	5 981	-	100.0%	5 187	5 187
Other transfers to households	99		(46)	53	53	-	100.0%	1 969	1 969
<b>Payments for capital assets</b>	<b>104 697</b>	<b>-</b>	<b>(4 838)</b>	<b>99 859</b>	<b>99 859</b>	<b>-</b>	<b>100.0%</b>	<b>29 878</b>	<b>29 878</b>
Machinery and equipment	104 677	-	(4 837)	99 840	99 840	-	100.0%	29 331	29 331

APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Sub programme: 2.5: Maintenance									
2014/15								2013/14	
	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
Transport equipment	103 177		(3 902)	99 275	99 275	-	100.0%	28 171	28 171
Other machinery and equipment	1 500		(935)	565	565	-	100.0%	1 160	1 160
Software and other intangible assets	20		(1)	19	19	-	100.0%	547	547
Payment for financial assets	80		27	107	107	-	100.0%	65	65
<b>Total</b>	<b>3 114 089</b>	<b>-</b>	<b>(293 384)</b>	<b>2 820 705</b>	<b>2 820 705</b>	<b>-</b>	<b>100.0%</b>	<b>2 709 259</b>	<b>2 709 259</b>

Programme 3: Transport Operations									
2014/15								2013/14	
	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
<b>Sub programme</b>									
1. Programme Support Operations	20 158	-	2 492	22 650	22 650	-	100.0%	26 311	26 311
2. Public Transport Services	1 159 912	-	(28 582)	1 131 330	1 131 330	-	100.0%	1 045 549	1 045 549
3. Transport Safety and Compliance	73 342	-	275	73 617	73 617	-	100.0%	71 273	71 273
	<b>1 253 412</b>	<b>-</b>	<b>(25 815)</b>	<b>1 227 597</b>	<b>1 227 597</b>	<b>-</b>	<b>100.0%</b>	<b>1 137 899</b>	<b>1 143 133</b>
<b>Economic classification</b>									
Current payments	256 061	-	(15 278)	240 783	240 783	-	100.0%	225 374	228 517
Compensation of employees	31 214	-	443	31 657	31 657	-	100.0%	28 939	28 939
Salaries and wages	28 003	-	553	28 556	28 556	-	100.0%	26 149	26 149
Social contributions	3 211	-	(110)	3 101	3 101	-	100.0%	2 790	2 790
Goods and services	224 847	-	(15 721)	209 126	209 126	-	100.0%	196 435	199 578



**APPROPRIATION STATEMENT**  
for the year ended 31 March 2015

<b>Programme 3: Transport Operations</b>										
		<b>2014/15</b>						<b>2013/14</b>		
		<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
	Administrative fees	184	-	54	238	238	-	100.0%	-	-
	Advertising	4 965	-	2 911	7 876	7 876	-	100.0%	12 976	12 976
	Minor assets	146	-	(97)	49	49	-	100.0%	11	11
	Catering: Departmental activities	3 779	-	(1 476)	2 303	2 303	-	100.0%	3 302	3 302
	Communication (G&S)	1 748	-	(645)	1 103	1 103	-	100.0%	378	378
	Consultants: Business and advisory services	17 544	-	8 921	26 465	26 465	-	100.0%	30 563	30 563
	Legal services	60	-	58	118	118	-	100.0%	243	243
	Contractors	7 872	-	(1 006)	6 866	6 866	-	100.0%	14 566	14 566
	Agency and support / outsourced services	289	-	(69)	220	220	-	100.0%	447	447
	Fleet services (including government motor transport)	381	-	386	767	767	-	100.0%	757	757
	Inventory: Clothing material and accessories	-	-	-	-	-	-	-	56	56
	Inventory: Food and food supplies	-	-	238	238	238	-	100.0%	15	15
	Inventory: Fuel, oil and gas	147	-	(153)	(6)	(6)	-	100.0%	(11)	(11)
	Inventory: Learner and teacher support material	37	-	(37)	-	-	-	-	-	-
	Inventory: Materials and supplies	70	-	204	274	274	-	100.0%	199	199
	Consumable supplies	322	-	477	799	799	-	100.0%	85	85
	Consumable: Stationery, printing and office supplies	1 796	-	(476)	1 320	1 320	-	100.0%	585	585
	Operating leases	448	-	(116)	332	332	-	100.0%	355	355
	Property payments	633	-	2 988	3 621	3 621	-	100.0%	1 495	1 495

APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Programme 3: Transport Operations									
2014/15							2013/14		
	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	169 285	-	(35 223)	134 062	134 062	-	100.0%	118 690	121 833
Travel and subsistence	6 756	-	(1 112)	5 644	5 644	-	100.0%	4 940	4 940
Training and development	140	-	(76)	64	64	-	100.0%	70	70
Operating payments	608	-	1 601	2 209	2 209	-	100.0%	246	246
Venues and facilities	7 357	-	6 891	14 248	14 248	-	100.0%	6 353	6 353
Rental and hiring	280	-	36	316	316	-	100.0%	114	114
<b>Transfers and subsidies</b>	<b>997 075</b>	<b>-</b>	<b>(11 709)</b>	<b>985 366</b>	<b>985 366</b>	<b>-</b>	<b>100.0%</b>	<b>912 414</b>	<b>914 505</b>
Provinces and municipalities	15	-	(14)	1	1	-	100.0%	1	1
Provinces	15	-	(14)	1	1	-	100.0%	1	1
Provincial agencies and funds	15	-	(14)	1	1	-	100.0%	1	1
Public corporations and private enterprises	996 829	-	(11 877)	984 952	984 952	-	100.0%	912 325	914 416
Private enterprises	996 829	-	(11 877)	984 952	984 952	-	100.0%	912 325	914 416
Subsidies on products and production (pe)	996 829	-	(11 877)	984 952	984 952	-	100.0%	912 325	914 416
Households	231	-	182	413	413	-	100.0%	88	88
Social benefits	231	-	182	413	413	-	100.0%	88	88
<b>Payments for capital assets</b>	<b>276</b>	<b>-</b>	<b>1 172</b>	<b>1 448</b>	<b>1 448</b>	<b>-</b>	<b>100.0%</b>	<b>111</b>	<b>111</b>
Machinery and equipment	276	-	1 172	1 448	1 448	-	100.0%	111	111
Other machinery and equipment	276	-	1 172	1 448	1 448	-	100.0%	111	111
	<b>1 253 412</b>	<b>-</b>	<b>(25 815)</b>	<b>1 227 597</b>	<b>1 227 597</b>	<b>-</b>	<b>100.0%</b>	<b>1 137 899</b>	<b>1 143 133</b>



**APPROPRIATION STATEMENT**  
for the year ended 31 March 2015

Sub programme: 3.1: Programme Support Operations									
Economic classification	2014/15					2013/14			
	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
<b>Current payments</b>	<b>19 899</b>		<b>2 715</b>	<b>22 614</b>	<b>22 614</b>		<b>100.0%</b>	<b>26 222</b>	<b>26 222</b>
Compensation of employees	4 975		(123)	4 852	4 852		100.0%	5 004	5 004
Salaries and wages	4 489		(144)	4 345	4 345		100.0%	4 580	4 580
Social contributions	486		21	507	507		100.0%	424	424
Goods and services	14 924		2 838	17 762	17 762		100.0%	21 218	21 218
Administrative fees	34		17	51	51		100.0%	-	-
Advertising	19		(8)	11	11		100.0%	31	31
Minor assets	14		(8)	6	6		100.0%	4	4
Catering: Departmental activities	128		(4)	124	124		100.0%	-	-
Communication (G&S)	532		(89)	443	443		100.0%	194	194
Consultants: Business and advisory services	11 200		1 779	12 979	12 979		100.0%	17 514	17 514
Legal services	-		118	118	118		100.0%	243	243
Contractors	50		(14)	36	36		100.0%	15	15
Agency and support / outsourced services	180		(14)	166	166		100.0%	219	219
Fleet services (including government motor transport)	81		159	240	240		100.0%	86	86
Inventory: Clothing material and accessories	-		-	-	-		-	3	3
Inventory: Food and food supplies	-		238	238	238		100.0%	-	-
Inventory: Fuel, oil and gas	-		(6)	(6)	(6)		100.0%	(11)	(11)
Inventory: Materials and supplies	22		(3)	19	19		100.0%	1	1
Consumable supplies	2		(2)	-	-		-	-	-
Consumable: Stationery, printing and office supplies	126		(2)	124	124		100.0%	103	103
Operating leases	278		(39)	239	239		100.0%	270	270
Property payments	596		2 994	3 590	3 590		100.0%	1 476	1 476

APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Sub programme: 3.1: Programme Support Operations									
2014/15							2013/14		
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
Transport provided: Departmental activity	-		(2 089)	(2 089)	(2 089)		100.0%	350	350
Travel and subsistence	1 067		(183)	884	884		100.0%	700	700
Training and development	-		15	15	15		100.0%	7	7
Operating payments	70		(36)	34	34		100.0%	13	13
Venues and facilities	345		-	345	345		100.0%	-	-
Rental and hiring	180		15	195	195		100.0%	-	-
<b>Transfers and subsidies</b>	<b>13</b>		<b>(13)</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>89</b>	<b>89</b>
Provinces and municipalities	13		(13)	-	-		-	1	1
Provinces	13		(13)	-	-		-	1	1
Provincial agencies and funds	13		(13)	-	-		-	1	1
Households	-		-	-	-		-	88	88
Social benefits	-		-	-	-		-	88	88
<b>Payments for capital assets</b>	<b>246</b>		<b>(210)</b>	<b>36</b>	<b>36</b>		<b>100.0%</b>	<b>-</b>	<b>-</b>
Machinery and equipment	246		(210)	36	36		100.0%	-	-
Other machinery and equipment	246		(210)	36	36		100.0%	-	-
<b>Total</b>	<b>20 158</b>	<b>-</b>	<b>2 492</b>	<b>22 650</b>	<b>22 650</b>	<b>-</b>	<b>100.0%</b>	<b>26 311</b>	<b>26 311</b>



APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Sub programme: 3.2: Public Transport Services									
	2014/15						2013/14		
	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	163 083	-	(16 705)	146 378	146 378	-	100.0%	127 990	131 133
Compensation of employees	3 189	-	(77)	3 112	3 112	-	100.0%	2 903	2 903
Salaries and wages	2 838		(63)	2 775	2 775	-	100.0%	2 631	2 631
Social contributions	351		(14)	337	337	-	100.0%	272	272
Goods and services	159 894	-	(16 628)	143 266	143 266	-	100.0%	125 087	128 230
Minor assets	2		(2)	-	-	-	-	-	-
Catering: Departmental activities	17		(17)	-	-	-	-		
Communication (G&S)	18		(18)	-	-	-	-		
Consultants: Business and advisory services	-		8 334	8 334	8 334	-	100.0%	7 935	7 935
Legal services	60		(60)	-	-	-	-		
Agency and support / outsourced services	7		(7)	-	-	-	-	-	-
Fleet services (including government motor transport)	80		(48)	32	32	-	100.0%	348	348
Inventory: Fuel, oil and gas	12		(12)	-	-	-	-	-	-
Inventory: Learner and teacher support material	1		(1)	-	-	-	-	-	-
Inventory: Materials and supplies	1		(1)	-	-	-	-	-	-
Consumable supplies	8		(8)	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	41		(31)	10	10	-	100.0%		
Operating leases	30		(30)	-	-	-	-		
Property payments	17		(16)	1	1	-	100.0%	4	4
Transport provided: Departmental activity	158 430		(23 771)	134 659	134 659	-	100.0%	116 516	119 659
Travel and subsistence	1 106		(876)	230	230	-	100.0%	270	270
Training and development	5		(5)	-	-	-	-	-	-

APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Sub programme: 3.2: Public Transport Services									
Economic classification	2014/15					2013/14			
	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
Operating payments	47		(47)	-	-	-	-	13	13
Venues and facilities	12		(12)	-	-	-	-	1	1
<b>Transfers and subsidies</b>	<b>996 829</b>	-	<b>(11 877)</b>	<b>984 952</b>	<b>984 952</b>	-	<b>100.0%</b>	<b>912 325</b>	<b>914 416</b>
Public corporations and private enterprises	996 829	-	(11 877)	984 952	984 952	-	100.0%	912 325	914 416
Private enterprises	996 829	-	(11 877)	984 952	984 952	-	100.0%	912 325	914 416
Subsidies on products and production (pe)	996 829		(11 877)	984 952	984 952	-	100.0%	912 325	914 416
<b>Total</b>	<b>1 159 912</b>	-	<b>(28 582)</b>	<b>1 131 330</b>	<b>1 131 330</b>	-	<b>100.0%</b>	<b>1 040 315</b>	<b>1 045 549</b>

Sub programme: 3.3: Transport Safety and Compliance									
Economic classification	2014/15					2013/14			
	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
<b>Current payments</b>	<b>73 079</b>	-	<b>(1 288)</b>	<b>71 791</b>	<b>71 791</b>	-	<b>100.0%</b>	<b>71 162</b>	<b>71 162</b>
Compensation of employees	23 050	-	643	23 693	23 693	-	100.0%	21 032	21 032
Salaries and wages	20 676		760	21 436	21 436	-	100.0%	18 938	18 938
Social contributions	2 374		(117)	2 257	2 257	-	100.0%	2 094	2 094
Goods and services	50 029	-	(1 931)	48 098	48 098	-	100.0%	50 130	50 130
Administrative fees	150		37	187	187	-	100.0%	-	-
Advertising	4 946		2 919	7 865	7 865	-	100.0%	12 945	12 945
Minor assets	130		(87)	43	43	-	100.0%	7	7
Catering: Departmental activities	3 634		(1 455)	2 179	2 179	-	100.0%	3 302	3 302



APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Sub programme: 3.3: Transport Safety and Compliance										
Economic classification	2014/15						2013/14			
	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
Communication (G&S)	1 198		(538)	660	660	-	100.0%	184	184	184
Consultants: Business and advisory services	6 344		(1 192)	5 152	5 152	-	100.0%	5 114	5 114	5 114
Contractors	7 822		(992)	6 830	6 830	-	100.0%	14 551	14 551	14 551
Agency and support / outsourced services	102		(48)	54	54	-	100.0%	228	228	228
Fleet services (including government motor transport)	220		275	495	495	-	100.0%	323	323	323
Inventory: Clothing material and accessories	-			-	-	-	-	53	53	53
Inventory: Food and food supplies	-			-	-	-	-	15	15	15
Inventory: Fuel, oil and gas	135		(135)	-	-	-	-			
Inventory: Learner and teacher support material	36		(36)	-	-	-	-			
Inventory: Materials and supplies	47		208	255	255	-	100.0%	198	198	198
Consumable supplies	312		487	799	799	-	100.0%	85	85	85
Consumable: Stationery, printing and office supplies	1 629		(443)	1 186	1 186	-	100.0%	482	482	482
Operating leases	140		(47)	93	93	-	100.0%	85	85	85
Property payments	20		10	30	30	-	100.0%	15	15	15
Transport provided: Departmental activity	10 855		(9 363)	1 492	1 492	-	100.0%	1 824	1 824	1 824
Travel and subsistence	4 583		(53)	4 530	4 530	-	100.0%	3 970	3 970	3 970
Training and development	135		(86)	49	49	-	100.0%	63	63	63
Operating payments	491		1 684	2 175	2 175	-	100.0%	220	220	220
Venues and facilities	7 000		6 903	13 903	13 903	-	100.0%	6 352	6 352	6 352
Rental and hiring	100		21	121	121	-	100.0%	114	114	114
<b>Transfers and subsidies</b>	<b>233</b>	<b>-</b>	<b>181</b>	<b>414</b>	<b>414</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	2	<b>-</b>	(1)	1	1	-	100.0%	-	-	-
Provinces	2	<b>-</b>	(1)	1	1	-	100.0%	-	-	-

Sub programme: 3.3: Transport Safety and Compliance									
	2014/15						2013/14		
	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
Provincial agencies and funds	2		(1)	1	1	-	100.0%		
Households	231	-	182	413	413	-	100.0%	-	-
Social benefits	231		182	413	413	-	100.0%		
<b>Payments for capital assets</b>	<b>30</b>	<b>-</b>	<b>1 382</b>	<b>1 412</b>	<b>1 412</b>	<b>-</b>	<b>100.0%</b>	<b>111</b>	<b>111</b>
Machinery and equipment	30	-	1 382	1 412	1 412	-	100.0%	111	111
Other machinery and equipment	30		1 382	1 412	1 412	-	100.0%	111	111
<b>Total</b>	<b>73 342</b>	<b>-</b>	<b>275</b>	<b>73 617</b>	<b>73 617</b>	<b>-</b>	<b>100.0%</b>	<b>71 273</b>	<b>71 273</b>

Programme 4: Transport Regulation									
	2014/15							2013/14	
	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. Programme Support Regulation	520	-	(170)	350	350	-	100.0%	247	247
2. Transport Administration and Licensing	110 320	-	(6 839)	103 481	103 481	-	100.0%	100 044	100 044
3. Operator Licenses and Permits	32 770	-	10 030	42 800	42 800	-	100.0%	43 693	43 693
4. Law Enforcements	526 591	-	28 928	555 519	555 519	-	100.0%	477 334	477 334
	670 201	-	31 949	702 150	702 150	-	100.0%	621 318	621 318
Economic classification									
Current payments	634 821	-	15 152	649 973		-	100.0%	601 322	601 322
Compensation of employees	475 171	-	4 980	480 151	649 973	-	100.0%	437 146	437 146



APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Programme 4: Transport Regulation										
2014/15							2013/14			
	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	413 510	-	6 795	420 305	480 151	-	100.0%	381 735	381 735	
Social contributions	61 661	-	(1 815)	59 846	420 305	-	100.0%	55 411	55 411	
Goods and services	159 650	-	10 172	169 822	59 846	-	100.0%	164 176	164 176	
Administrative fees	284	-	252	536	169 822	-	100.0%	-	-	
Advertising	163	-	8	171	536	-	100.0%	150	150	
Minor assets	2 020	-	(494)	1 526	171	-	100.0%	1 425	1 425	
Audit costs: External	65	-	(40)	25	1 526	-	100.0%	84	84	
Catering: Departmental activities	128	-	203	331	25	-	100.0%	48	48	
Communication (G&S)	9 384	-	(307)	9 077	331	-	100.0%	8 509	8 509	
Computer services	10 305	-	91	10 396	9 077	-	100.0%	3 562	3 562	
Consultants: Business and advisory services	8 323	-	3 815	12 138	10 396	-	100.0%	8 937	8 937	
Infrastructure and planning services	-	-	-	-	12 138	-	-	566	566	
Legal services	2 122	-	2 093	4 215	-	-	100.0%	5 425	5 425	
Contractors	17 493	-	(2 308)	15 185	4 215	-	100.0%	15 663	15 663	
Agency and support / outsourced services	26	-	65	91	15 185	-	100.0%	-	-	
Fleet services (including government motor transport)	31 556	-	(139)	31 417	91	-	100.0%	35 829	35 829	
Inventory: Clothing material and accessories	1 093	-	940	2 033	31 417	-	100.0%	3 400	3 400	
Inventory: Food and food supplies	87	-	(26)	61	2 033	-	100.0%	39	39	
Inventory: Fuel, oil and gas	9	-	22	31	61	-	100.0%	31	31	
Inventory: Learner and teacher support material	188	-	(56)	132	31	-	100.0%	252	252	
Inventory: Materials and supplies	207	-	(57)	150	132	-	100.0%	3	3	

APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Programme 4: Transport Regulation										
		2014/15						2013/14		
		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: Medical supplies	-	-	-	-	150	-	-	7	7
	Inventory: Medicine	1	-	-	1	-	-	100.0%	-	-
	Inventory: Other supplies	1	-	(1)	-	1	-	-	-	-
	Consumable supplies	2 352	-	(402)	1 950	-	-	100.0%	946	946
	Consumable: Stationery, printing and office supplies	7 749	-	112	7 861	1 950	-	100.0%	8 123	8 123
	Operating leases	18 991	-	1 137	128	7 861	-	100.0%	19 421	19 421
	Property payments	29 141	-	1 071	30 212	128	-	100.0%	26 500	26 500
	Transport provided: Departmental activity	-	-	4	4	30 212	-	100.0%	405	405
	Travel and subsistence	13 762	-	4 177	17 939	4	-	100.0%	18 096	18 096
	Training and development	945	-	(93)	852	17 939	-	100.0%	788	788
	Operating payments	3 008	-	(47)	2 961	852	-	100.0%	2 770	2 770
	Venues and facilities	98	-	184	282	2 961	-	100.0%	1 267	1 267
	Rental and hiring	149	-	(32)	117	282	-	100.0%	1 930	1 930
	Transfers and subsidies	2 803	-	(1)	2 802	117	-	100.0%	2 003	2 003
	Provinces and municipalities	650	-	100	750	2 802	-	100.0%	385	385
	Provinces	650	-	100	750	750	-	100.0%	385	385
	Provincial agencies and funds	650	-	100	750	750	-	100.0%	385	385
	Households	2 153	-	(101)	2 052	750	-	100.0%	1 618	1 618
	Social benefits	1 923	-	126	2 049	2 052	-	100.0%	1 394	1 394
	Other transfers to households	230	-	(227)	3	2 049	-	100.0%	224	224
	Payments for capital assets	32 512	-	16 684	49 196	3	-	100.0%	17 979	17 979



APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Programme 4: Transport Regulation									
2014/15							2013/14		
	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
Machinery and equipment	32 512	-	16 684	49 196	49 196	-	100.0%	17 979	17 979
Transport equipment	31 322	-	14 628	45 950	49 196	-	100.0%	17 072	17 072
Other machinery and equipment	1 190	-	2 056	3 246	45 950	-	100.0%	907	907
<b>Payment for financial assets</b>	<b>65</b>	<b>-</b>	<b>114</b>	<b>179</b>	<b>179</b>	<b>-</b>	<b>100.0%</b>	<b>14</b>	<b>14</b>
	<b>670 201</b>	<b>-</b>	<b>31 949</b>	<b>702 150</b>	<b>702 150</b>	<b>-</b>	<b>100.0%</b>	<b>621 318</b>	<b>621 318</b>

Sub programme: 4.1: Programme Support Regulation									
2014/15							2013/14		
	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
<b>Economic classification</b>									
Current payments	486	-	(136)	350	350	-	100.0%	247	247
Compensation of employees	289	-	(52)	237	237	-	100.0%	217	217
Salaries and wages	260		(23)	237	237	-	100.0%	217	217
Social contributions	29		(29)	-	-	-	-	-	-
Goods and services	197	-	(84)	113	113	-	100.0%	30	30
Agency and support / outsourced services	26		63	89	89	-	100.0%	-	-
Consumable: Stationery, printing and office supplies	4			4	4	-	100.0%	8	8
Operating leases	20		(3)	17	17	-	100.0%		
Travel and subsistence	147		(144)	3	3	-	100.0%	4	4
<b>Transfers and subsidies</b>	<b>20</b>	<b>-</b>	<b>(20)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	20	-	(20)	-	-	-	-	-	-

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2015

<b>Sub programme: 4.1: Programme Support Regulation</b>									
<b>2014/15</b>							<b>2013/14</b>		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Provinces	20	-	(20)	-	-	-	-	-	-
Provincial agencies and funds	20		(20)	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>14</b>	<b>-</b>	<b>(14)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	14	-	(14)	-	-	-	-	-	-
Other machinery and equipment	14		(14)	-	-	-	-	-	-
<b>Total</b>	<b>520</b>	<b>-</b>	<b>(170)</b>	<b>350</b>	<b>350</b>	<b>-</b>	<b>100.0%</b>	<b>247</b>	<b>247</b>

<b>Sub programme: 4.2: Transport Administration and Licensing</b>									
<b>2014/15</b>							<b>2013/14</b>		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>109 313</b>	<b>-</b>	<b>(6 740)</b>	<b>102 573</b>	<b>102 573</b>	<b>-</b>	<b>100.0%</b>	<b>99 876</b>	<b>99 876</b>
Compensation of employees	78 630	-	(2 385)	76 245	76 245	-	100.0%	74 051	74 051
Salaries and wages	65 027		(1 820)	63 207	63 207	-	100.0%	61 794	61 794
Social contributions	13 603		(565)	13 038	13 038	-	100.0%	12 257	12 257
Goods and services	30 683	-	(4 355)	26 328	26 328	-	100.0%	25 825	25 825
Administrative fees	66		16	82	82	-	100.0%	-	-
Advertising	133		(13)	120	120	-	100.0%	141	141
Minor assets	83		(22)	61	61	-	100.0%	52	52
Catering: Departmental activities	-		1	1	1	-	100.0%	10	10
Communication (G&S)	1 128		33	1 161	1 161	-	100.0%	1 437	1 437
Computer services	3 800		99	3 899	3 899	-	100.0%	3 259	3 259



APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Sub programme: 4.2: Transport Administration and Licensing									
Economic classification	2014/15						2013/14		
	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
Consultants: Business and advisory services	-		94	94	94	-	100.0%	-	-
Infrastructure and planning services	-			-	-	-	-	566	566
Legal services	-		160	160	160	-	100.0%	-	-
Contractors	492		165	657	657	-	100.0%	468	468
Fleet services (including government motor transport)	9 882		(5 153)	4 729	4 729	-	100.0%	6 164	6 164
Inventory: Clothing material and accessories	5			5	5	-	100.0%	8	8
Inventory: Fuel, oil and gas	-			-	-	-	-	3	3
Inventory: Learner and teacher support material	188		(56)	132	132	-	100.0%	252	252
Consumable supplies	1 639		(159)	1 480	1 480	-	100.0%	511	511
Consumable: Stationery, printing and office supplies	1 987		457	2 444	2 444	-	100.0%	3 078	3 078
Operating leases	1 001		5	1 006	1 006	-	100.0%	1 101	1 101
Property payments	7 313		(30)	7 283	7 283	-	100.0%	5 766	5 766
Travel and subsistence	2 356		38	2 394	2 394	-	100.0%	2 551	2 551
Operating payments	604		(9)	595	595	-	100.0%	458	458
Rental and hiring	6		19	25	25	-	100.0%	-	-
<b>Transfers and subsidies</b>	<b>417</b>	<b>-</b>	<b>95</b>	<b>512</b>	<b>512</b>	<b>-</b>	<b>100.0%</b>	<b>155</b>	<b>155</b>
Provinces and municipalities	230	-	7	237	237	-	100.0%	133	133
Provinces	230	-	7	237	237	-	100.0%	133	133
Provincial agencies and funds	230		7	237	237	-	100.0%	133	133
Households	187	-	88	275	275	-	100.0%	22	22
Social benefits	187		88	275	275	-	100.0%	22	22
<b>Payments for capital assets</b>	<b>590</b>	<b>-</b>	<b>(194)</b>	<b>396</b>	<b>396</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Machinery and equipment	590	-	(194)	396	396	-	100.0%	-	-
Other machinery and equipment	590		(194)	396	396	-	100.0%	-	-
<b>Total</b>	<b>110 320</b>	<b>-</b>	<b>(6 839)</b>	<b>103 481</b>	<b>103 481</b>	<b>-</b>	<b>100.0%</b>	<b>100 044</b>	<b>100 044</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2015

Sub programme: 4.3: Operator Licenses and Permits									
Economic classification	2014/15						2013/14		
	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
<b>Current payments</b>	<b>32 522</b>		<b>10 226</b>	<b>42 748</b>	<b>42 748</b>		<b>100.0%</b>	<b>43 691</b>	<b>43 691</b>
Compensation of employees	19 254		1 548	20 802	20 802		100.0%	19 189	19 189
Salaries and wages	17 169		1 791	18 960	18 960		100.0%	17 448	17 448
Social contributions	2 085		(243)	1 842	1 842		100.0%	1 741	1 741
Goods and services	13 268		8 678	21 946	21 946		100.0%	24 502	24 502
Administrative fees	48		132	180	180		100.0%	-	-
Advertising	-		16	16	16		100.0%	-	-
Minor assets	8		1	9	9		100.0%	1	1
Catering: Departmental activities	97		210	307	307		100.0%	32	32
Communication (G&S)	482		(47)	435	435		100.0%	516	516
Computer services	5		(4)	1	1		100.0%	-	-
Consultants: Business and advisory services	3 704		6 084	9 788	9 788		100.0%	8 384	8 384
Legal services	1 415		1 870	3 285	3 285		100.0%	1 935	1 935
Contractors	-		3	3	3		100.0%	-	-
Agency and support / outsourced services	-		2	2	2		100.0%	-	-
Fleet services (including government motor transport)	507		390	897	897		100.0%	894	894
Inventory: Materials and supplies	2		35	37	37		100.0%	3	3
Inventory: Medicine	1			1	1		100.0%	-	-
Inventory: Other supplies	1		(1)	-	-		-	-	-
Consumable supplies	246		(246)	-	-		-	5	5
Consumable: Stationery, printing and office supplies	2 040		(186)	1 854	1 854		100.0%	1 966	1 966
Operating leases	-		(121)	(121)	(121)		100.0%	504	504



APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Sub programme: 4.3: Operator Licenses and Permits										
Economic classification	2014/15						2013/14			
	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	
Property payments	1 792		136	1 928	1 928		100.0%	2 597	2 597	
Transport provided: Departmental activity	-			-	-		-	405	405	
Travel and subsistence	2 827		224	3 051	3 051		100.0%	4 600	4 600	
Training and development	3		(3)	-	-		-	15	15	
Operating payments	1		(1)	-	-		-	-	-	
Venues and facilities	89		184	273	273		100.0%	818	818	
Rental and hiring	-			-	-		-	1 827	1 827	
<b>Transfers and subsidies</b>	-		-	-	-		-	2	2	
Provinces and municipalities	-		-	-	-		-	2	2	
Provinces	-		-	-	-		-	2	2	
Provincial agencies and funds	-			-	-		-	2	2	
<b>Payments for capital assets</b>	248		(196)	52	52		100.0%	-	-	
Machinery and equipment	248		(196)	52	52		100.0%	-	-	
Other machinery and equipment	248		(196)	52	52		100.0%	-	-	
<b>Total</b>	32 770	-	10 030	42 800	42 800	-	100.0%	43 693	43 693	

APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Sub programme: 4.4: Law Enforcements									
2014/15							2013/14		
Economic classification	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
<b>Current payments</b>	<b>492 500</b>	<b>-</b>	<b>11 802</b>	<b>504 302</b>	<b>504 302</b>	<b>-</b>	<b>100.0%</b>	<b>457 508</b>	<b>457 508</b>
Compensation of employees	376 998	-	5 869	382 867	382 867	-	100.0%	343 689	343 689
Salaries and wages	331 054		6 847	337 901	337 901	-	100.0%	302 276	302 276
Social contributions	45 944		(978)	44 966	44 966	-	100.0%	41 413	41 413
Goods and services	115 502	-	5 933	121 435	121 435	-	100.0%	113 819	113 819
Administrative fees	170		104	274	274	-	100.0%	-	-
Advertising	30		5	35	35	-	100.0%	9	9
Minor assets	1 929		(473)	1 456	1 456	-	100.0%	1 372	1 372
Audit costs: External	65		(40)	25	25	-	100.0%	84	84
Catering: Departmental activities	31		(8)	23	23	-	100.0%	6	6
Communication (G&S)	7 774		(293)	7 481	7 481	-	100.0%	6 556	6 556
Computer services	6 500		(4)	6 496	6 496	-	100.0%	303	303
Consultants: Business and advisory services	4 619		(2 363)	2 256	2 256	-	100.0%	553	553
Legal services	707		63	770	770	-	100.0%	3 472	3 472
Contractors	17 001		(2 476)	14 525	14 525	-	100.0%	15 195	15 195
Fleet services (including government motor transport)	21 167		4 624	25 791	25 791	-	100.0%	28 771	28 771
Inventory: Clothing material and accessories	1 088		940	2 028	2 028	-	100.0%	3 392	3 392
Inventory: Food and food supplies	87		(26)	61	61	-	100.0%	39	39
Inventory: Fuel, oil and gas	9		22	31	31	-	100.0%	28	28
Inventory: Materials and supplies	205		(92)	113	113	-	100.0%		
Consumable supplies	467		3	470	470	-	100.0%	430	430
Consumable: Stationery, printing and office supplies	3 718		(159)	3 559	3 559	-	100.0%	3 071	3 071



**APPROPRIATION STATEMENT**  
for the year ended 31 March 2015

<b>Sub programme: 4.4: Law Enforcements</b>									
<b>2014/15</b>							<b>2013/14</b>		
<b>Economic classification</b>	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Operating leases	17 970		1 256	19 226	19 226	-	100.0%	17 816	17 816
Property payments	20 036		965	21 001	21 001	-	100.0%	18 137	18 137
Transport provided: Departmental activity	-		4	4	4	-	100.0%	-	-
Travel and subsistence	8 432		4 059	12 491	12 491	-	100.0%	10 941	10 941
Training and development	942		(90)	852	852	-	100.0%	773	773
Operating payments	2 403		(37)	2 366	2 366	-	100.0%	2 312	2 312
Venues and facilities	9			9	9	-	100.0%	449	449
Rental and hiring	143		(51)	92	92	-	100.0%	103	103
<b>Transfers and subsidies</b>	<b>2 366</b>	<b>-</b>	<b>(76)</b>	<b>2 290</b>	<b>2 290</b>	<b>-</b>	<b>100.0%</b>	<b>1 846</b>	<b>1 846</b>
Provinces and municipalities	400		113	513	513	-	100.0%	250	250
Provinces	400		113	513	513	-	100.0%	250	250
Provincial agencies and funds	400		113	513	513	-	100.0%	250	250
Households	1 966		(189)	1 777	1 777	-	100.0%	1 596	1 596
Social benefits	1 736		38	1 774	1 774	-	100.0%	1 372	1 372
Other transfers to households	230		(227)	3	3	-	100.0%	224	224
<b>Payments for capital assets</b>	<b>31 660</b>	<b>-</b>	<b>17 088</b>	<b>48 748</b>	<b>48 748</b>	<b>-</b>	<b>100.0%</b>	<b>7 979</b>	<b>7 979</b>
Machinery and equipment	31 660		17 088	48 748	48 748	-	100.0%	17 979	17 979
Transport equipment	31 322		14 628	45 950	45 950	-	100.0%	17 072	17 072
Other machinery and equipment	338		2 460	2 798	2 798	-	100.0%	907	907
<b>Payment for financial assets</b>	<b>65</b>		<b>114</b>	<b>179</b>	<b>179</b>	<b>-</b>	<b>100.0%</b>	<b>1</b>	<b>1</b>
<b>Total</b>	<b>526 591</b>	<b>-</b>	<b>28 928</b>	<b>555 519</b>	<b>555 519</b>	<b>-</b>	<b>100.0%</b>	<b>477 334</b>	<b>477 334</b>

APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Programme 5: Community Based Programme										
		2014/15					2013/14			
		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
<b>Sub programme</b>										
1.	<u>Programme Support Community Based</u>	6 040	-	343	6 383	6 383	-	100.0%	5 097	5 097
2.	<u>Community Development</u>	11 650	-	(1 570)	10 080	10 080	-	100.0%	22 304	22 304
3.	<u>Innovation and Empowerment</u>	17 940	-	(6 252)	11 688	11 688	-	100.0%	8 235	8 235
4.	<u>EPWP Coordination and Monitoring</u>	9 910	-	3 650	13 560	13 560	-	100.0%	6 838	6 838
		<b>45 540</b>	<b>-</b>	<b>(3 829)</b>	<b>41 711</b>	<b>41 711</b>	<b>-</b>	<b>100.0%</b>	<b>42 474</b>	<b>42 474</b>
<b>Economic classification</b>										
	<b>Current payments</b>	<b>39 150</b>	<b>-</b>	<b>1 627</b>	<b>40 777</b>	<b>40 777</b>	<b>-</b>	<b>100.0%</b>	<b>40 968</b>	<b>40 968</b>
	Compensation of employees	12 715	-	374	13 089	13 089	-	100.0%	12 302	12 302
	Salaries and wages	11 287	-	477	11 764	11 764	-	100.0%	11 082	11 082
	Social contributions	1 428	-	(103)	1 325	1 325	-	100.0%	1 220	1 220
	Goods and services	26 435	-	1 253	27 688	27 688	-	100.0%	28 666	28 666
	Administrative fees	50	-	(10)	40	40	-	100.0%	-	-
	Advertising	1	-	52	53	53	-	100.0%	53	53
	Minor assets	3	-	-	3	3	-	100.0%	1	1
	Catering: Departmental activities	725	-	(79)	646	646	-	100.0%	1 661	1 661
	Communication (G&S)	544	-	(59)	485	485	-	100.0%	208	208
	Consultants: Business and advisory services	11 898	-	2 525	14 423	14 423	-	100.0%	15 674	15 674
	Infrastructure and planning services	400	-	(400)	-	-	-	-	1 088	1 088
	Contractors	4 924	-	532	5 456	5 456	-	100.0%	2 784	2 784
	Fleet services (including government motor transport)	64	-	22	86	86	-	100.0%	220	220
	Inventory: Fuel, oil and gas	43	-	(22)	21	21	-	100.0%	-	-



APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Programme 5: Community Based Programme										
		2014/15					2013/14			
		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	180	-	862	1 042	1 042	-	100.0%	196	196
	Inventory: Medical supplies	1	-	(1)	-	-	-	-	-	-
	Consumable supplies	-	-	-	-	-	-	-	5	5
	Consumable: Stationery, printing and office supplies	21	-	20	41	41	-	100.0%	49	49
	Operating leases	129	-	3	132	132	-	100.0%	103	103
	Transport provided: Departmental activity	5 694	-	(2 522)	3 172	3 172	-	100.0%	4 518	4 518
	Travel and subsistence	1 652	-	375	2 027	2 027	-	100.0%	1 899	1 899
	Training and development	45	-	(35)	10	10	-	100.0%	7	7
	Operating payments	61	-	(10)	51	51	-	100.0%	55	55
	Venues and facilities	-	-	-	-	-	-	-	144	144
	<b>Transfers and subsidies</b>	<b>6 005</b>	<b>-</b>	<b>(5 105)</b>	<b>900</b>	<b>900</b>	<b>-</b>	<b>100.0%</b>	<b>1 458</b>	<b>1 458</b>
	Provinces and municipalities	5	-	(5)	-	-	-	-	-	-
	Provinces	5	-	(5)	-	-	-	-	-	-
	Provincial agencies and funds	5	-	(5)	-	-	-	-	-	-
	Public corporations and private enterprises	6 000	-	(5 100)	900	900	-	100.0%	1 451	1 451
	Private enterprises	6 000	-	(5 100)	900	900	-	100.0%	1 451	1 451
	Other transfers to private enterprises	6 000	-	(5 100)	900	900	-	100.0%	1 451	1 451
	<b>Payments for capital assets</b>	<b>385</b>	<b>-</b>	<b>(351)</b>	<b>34</b>	<b>34</b>	<b>-</b>	<b>100.0%</b>	<b>45</b>	<b>45</b>
	Machinery and equipment	385	-	(351)	34	34	-	100.0%	45	45
	Other machinery and equipment	385	-	(351)	34	34	-	100.0%	45	45
		<b>45 540</b>	<b>-</b>	<b>(3 829)</b>	<b>41 711</b>	<b>41 711</b>	<b>-</b>	<b>100.0%</b>	<b>42 474</b>	<b>42 474</b>

APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Sub programme: 5.1: Programme Support Community Based									
2014/15							2013/14		
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
<b>Current payments</b>	<b>5 650</b>	-	<b>715</b>	<b>6 365</b>	<b>6 365</b>	-	<b>100.0%</b>	<b>5 074</b>	<b>5 074</b>
Compensation of employees	3 490	-	477	3 967	3 967	-	100.0%	3 124	3 124
Salaries and wages	3 351		469	3 820	3 820	-	100.0%	2 985	2 985
Social contributions	139		8	147	147	-	100.0%	139	139
Goods and services	2 160	-	238	2 398	2 398	-	100.0%	1 950	1 950
Administrative fees	11		24	35	35	-	100.0%	-	-
Communication (G&S)	27		(8)	19	19	-	100.0%	32	32
Consultants: Business and advisory services	1 061		(112)	949	949	-	100.0%	920	920
Consumable: Stationery, printing and office supplies	-		7	7	7	-	100.0%	11	11
Operating leases	95		1	96	96	-	100.0%	65	65
Travel and subsistence	966		326	1 292	1 292	-	100.0%	920	920
<b>Transfers and subsidies</b>	<b>5</b>	-	<b>(5)</b>	-	-	-	-	<b>7</b>	<b>7</b>
Provinces and municipalities	5	-	(5)	-	-	-	-	-	-
Provinces	5	-	(5)	-	-	-	-	-	-
Provincial agencies and funds	5		(5)	-	-	-	-		
Households	-	-	-	-	-	-	-	7	7
Social benefits				-	-	-	-	7	7
<b>Payments for capital assets</b>	<b>385</b>	-	<b>(367)</b>	<b>18</b>	<b>18</b>	-	<b>100.0%</b>	<b>16</b>	<b>16</b>
Machinery and equipment	385	-	(367)	18	18	-	100.0%	16	16
Other machinery and equipment	385	-	(367)	18	18	-	100.0%	16	16
<b>Total</b>	<b>6 040</b>	-	<b>343</b>	<b>6 383</b>	<b>6 383</b>	-	<b>100.0%</b>	<b>5 097</b>	<b>5 097</b>



APPROPRIATION STATEMENT  
for the year ended 31 March 2015

Sub programme: 5.2: Community Development										
2014/15							2013/14			
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	
<b>Current payments</b>	<b>11 650</b>	-	<b>(1 586)</b>	<b>10 064</b>	<b>10 064</b>	-	<b>100.0%</b>	<b>22 291</b>	<b>22 291</b>	<b>22 291</b>
Compensation of employees	3 054	-	(261)	2 793	2 793	-	100.0%	2 515	2 515	2 515
Salaries and wages	2 660	-	(245)	2 415	2 415	-	100.0%	2 167	2 167	2 167
Social contributions	394	-	(16)	378	378	-	100.0%	348	348	348
Goods and services	8 596	-	(1 325)	7 271	7 271	-	100.0%	19 776	19 776	19 776
Advertising	1	-	5	6	6	-	100.0%	5	5	5
Minor assets	3	-	-	3	3	-	100.0%	1	1	1
Catering: Departmental activities	725	-	(79)	646	646	-	100.0%	1 654	1 654	1 654
Communication (G&S)	411	-	(14)	397	397	-	100.0%	71	71	71
Consultants: Business and advisory services	1 378	-	1 248	2 626	2 626	-	100.0%	12 918	12 918	12 918
Contractors	-	-	-	-	-	-	-	1	1	1
Fleet services (including government motor transport)	64	-	22	86	86	-	100.0%	220	220	220
Consumable: Stationery, printing and office supplies	-	-	7	7	7	-	100.0%	1	1	1
Operating leases	-	-	-	-	-	-	-	5	5	5
Transport provided: Departmental activity	5 694	-	(2 522)	3 172	3 172	-	100.0%	4 517	4 517	4 517
Travel and subsistence	287	-	41	328	328	-	100.0%	345	345	345
Training and development	33	-	(33)	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	13	13	13
Venues and facilities	-	-	-	-	-	-	-	25	25	25
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>-</b>	<b>100.0%</b>	<b>13</b>	<b>13</b>	<b>13</b>
Machinery and equipment	-	-	16	16	16	-	100.0%	13	13	13
Other machinery and equipment	-	-	16	16	16	-	100.0%	13	13	13
<b>Total</b>	<b>11 650</b>	<b>-</b>	<b>(1 570)</b>	<b>10 080</b>	<b>10 080</b>	<b>-</b>	<b>100.0%</b>	<b>22 304</b>	<b>22 304</b>	<b>22 304</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2015

Sub programme: 5.3: Innovation and Empowerment									
Economic classification	2014/15					2013/14			
	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
<b>Current payments</b>	11 940	-	(1 152)	10 788	10 788	-	100.0%	6 768	6 768
Compensation of employees	4 145	-	(5)	4 140	4 140	-	100.0%	4 433	4 433
Salaries and wages	3 489	-	54	3 543	3 543	-	100.0%	3 907	3 907
Social contributions	656	-	(59)	597	597	-	100.0%	526	526
Goods and services	7 795	-	(1 147)	6 648	6 648	-	100.0%	2 335	2 335
Administrative fees	32	-	(32)	-	-	-	-	-	-
Advertising	-	-	47	47	47	-	100.0%	36	36
Communication (G&S)	68	-	(29)	39	39	-	100.0%	68	68
Consultants: Business and advisory services	6 950	-	(742)	6 208	6 208	-	100.0%	677	677
Infrastructure and planning services	400	-	(400)	-	-	-	-	1 088	1 088
Inventory: Food and food supplies	-	-	-	-	-	-	-	1	1
Consumable: Stationery, printing and office supplies	17	-	1	18	18	-	100.0%	21	21
Transport provided: Departmental activity	-	-	-	-	-	-	-	1	1
Travel and subsistence	255	-	20	275	275	-	100.0%	389	389
Training and development	12	-	(2)	10	10	-	100.0%	5	5
Operating payments	61	-	(10)	51	51	-	100.0%	42	42
<b>Transfers and subsidies</b>	6 000	-	(5 100)	900	900	-	100.0%	1 451	1 451
Public corporations and private enterprises	6 000	-	(5 100)	900	900	-	100.0%	1 451	1 451
Private enterprises	6 000	-	(5 100)	900	900	-	100.0%	1 451	1 451
Other transfers to private enterprises	6 000	-	(5 100)	900	900	-	100.0%	1 451	1 451
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	16	16
Machinery and equipment	-	-	-	-	-	-	-	16	16
Other machinery and equipment	-	-	-	-	-	-	-	16	16
<b>Total</b>	17 940	-	(6 252)	11 688	11 688	-	100.0%	8 235	8 235



**APPROPRIATION STATEMENT**  
for the year ended 31 March 2015

<b>Sub programme: 5.4: EPWP Coordination and Monitoring</b>									
<b>Economic classification</b>	<b>2014/15</b>						<b>2013/14</b>		
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>9 910</b>		<b>3 650</b>	<b>13 560</b>	<b>13 560</b>	-	<b>100.0%</b>	<b>6 835</b>	<b>6 835</b>
Compensation of employees	2 026		163	2 189	2 189	-	100.0%	2 230	2 230
Salaries and wages	1 787		199	1 986	1 986	-	100.0%	2 023	2 023
Social contributions	239		(36)	203	203	-	100.0%	207	207
Goods and services	7 884		3 487	11 371	11 371	-	100.0%	4 605	4 605
Administrative fees	7		(2)	5	5	-	100.0%	-	-
Communication (G&S)	38		(8)	30	30	-	100.0%	37	37
Consultants: Business and advisory services	2 509		2 131	4 640	4 640	-	100.0%	1 159	1 159
Contractors	4 924		532	5 456	5 456	-	100.0%	2 783	2 783
Inventory: Fuel, oil and gas	43		(22)	21	21	-	100.0%		
Inventory: Materials and supplies	180		862	1 042	1 042	-	100.0%	196	196
Inventory: Medical supplies	1		(1)	-	-	-	-	-	-
Consumable supplies	-		-	-	-	-	-	5	5
Consumable: Stationery, printing and office supplies	4		5	9	9	-	100.0%	16	16
Operating leases	34		2	36	36	-	100.0%	33	33
Travel and subsistence	144		(12)	132	132	-	100.0%	245	245
Operating payments	-		-	-	-	-	-		
Venues and facilities	-		-	-	-	-	-	119	119
<b>Payment for financial assets</b>				-		-	-	3	3
<b>Total</b>	<b>9 910</b>	<b>-</b>	<b>3 650</b>	<b>13 560</b>	<b>13 560</b>	<b>-</b>	<b>100.0%</b>	<b>6 838</b>	<b>6 838</b>

## NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2015

### 1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 A-C) 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 financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 2.5 (Financial transactions in assets and liabilities) 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	%
Administration	258,972	258,972	-	100
Transport Infrastructure	6,820,455	6,821,519	(1,064)	100
Transport Operations	1,227,597	1,227,597	-	100
Transport Regulations	702,150	702,150	-	100
Community based	41,711	41,711	-	100
The over expenditure under <b>Transport Infrastructure</b> is due to the completion of various sections of construction projects carried over from previous years. The increased costs in construction materials such as cement, fuel, bitumen, etc., also contributed to the over-expenditure.				

#### 4.2 Per Economic Classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
<b>Current expenditure:</b>				
Compensation of employees	1,369,860	1,369,860	-	100
Goods and services	2,807,854	2,807,854	-	100
Interest and rent on land	5	5	-	100
<b>Transfers and subsidies:</b>				
Provinces and municipalities	4,093	4,093	-	100
Public corporations and private enterprises	985,852	985,852	-	100
Households	33,825	33,825	-	100
Departmental agencies and accounts	4,522	4,522	-	100
<b>Payments for capital assets:</b>				
Buildings and other fixed structures	3,674,556	3,675,620	(1,064)	100



**NOTES TO THE APPROPRIATION STATEMENT**  
for the year ended 31 March 2015

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Machinery and equipment	166,436	166,436	-	100
Software and other intangible assets	3,502	3,502	-	100
<b>Payments for financial assets:</b>	380	380	-	100

4.3 Per Conditional Grant

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
<b>Public Works</b>				
EPWP Inter GRNT PROV	59,443	59,433	-	100
<b>Transport</b>				
Provincial Roads Maintenance Grant	1,788,158	1,788,158	-	100
Public Transport Operations Grant	904,783	904,783	-	100

**STATEMENT OF FINANCIAL PERFORMANCE**  
for the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
<b>REVENUE</b>			
Annual appropriation	1	9,050,885	8,046,081
Departmental revenue	2	1,656,407	1,577,298
Aid assistance		40,000	-
<b>TOTAL REVENUE</b>		<b>10,747,722</b>	<b>9,623,379</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	1,369,860	1,266,775
Goods and services	5	2,807,854	2,680,332
Interest and rent on land	6	5	73
Aid assistance	3	14,983	-
<b>Total current expenditure</b>		<b>4,192,702</b>	<b>3,947,180</b>
<b>Transfers and subsidies</b>		<b>1,028,292</b>	<b>931,273</b>
Transfers and subsidies	8	1,028,292	931,273
<b>Expenditure for capital assets</b>			
Tangible capital assets	9	3,842,056	3,181,822
Software and other intangible assets	9	3,502	4,330
<b>Total expenditure for capital assets</b>		<b>3,845,558</b>	<b>3,186,152</b>
Unauthorised expenditure approved without funding		-	-
Financial transactions in assets and liabilities	7	380	582
<b>TOTAL EXPENDITURE</b>		<b>9,066,932</b>	<b>8,065,187</b>
<b>SURPLUS FOR THE YEAR</b>		<b>1,680,360</b>	<b>1,558,192</b>
<b>Reconciliation of Surplus for the year</b>			
Voted Funds		(1,064)	(9,106)
Annual appropriation		(1,064)	(7,015)
Conditional grants			(2,091)
Departmental Revenue	15	1,656,407	1,577,298
Aid assistance	3	25,017	(10,000)
<b>SURPLUS FOR THE YEAR</b>		<b>1,680,360</b>	<b>1,558,192</b>



**STATEMENT OF FINANCIAL POSITION**  
for the year ended 31 March 2015

	<b>Note</b>	<b>2014/15</b>	<b>2013/14</b>
		<b>R'000</b>	<b>R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>		<b>88,838</b>	<b>190,257</b>
Unauthorised expenditure	10	10,166	21,915
Cash and cash equivalents	11	1,619	83,908
Prepayments and advances	12	846	806
Receivables	13	76,207	83,628
<b>TOTAL ASSETS</b>		<b>88,838</b>	<b>190,257</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>85,784</b>	<b>187,276</b>
Voted funds to be surrendered to the Revenue Fund	14	-	-
Departmental revenue to be surrendered to the Revenue Fund	15	26,575	153,661
Payables	16	15,656	15,079
Aid assistance unutilised	3	43,553	18,536
<b>TOTAL LIABILITIES</b>		<b>85,784</b>	<b>187,276</b>
<b>NET ASSETS</b>		<b>3,054</b>	<b>2,981</b>
<b>Represented by:</b>			
Recoverable revenue		3,054	2,981
<b>TOTAL</b>		<b>3,054</b>	<b>2,981</b>

**STATEMENT OF CHANGES IN NET ASSETS**  
for the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
<b>Recoverable revenue</b>			
Opening balance		2,981	2,007
Transfers:		73	974
Irrecoverable amounts written off	8	(380)	(582)
Debt recovered (included in departmental receipts)		(1,298)	(1,180)
Debt raised		1,751	2,736
Closing balance			2,981
<b>TOTAL</b>		<b>3,054</b>	<b>2,981</b>



**CASH FLOW STATEMENT**  
for the year ended 31 March 2015

	<b>Note</b>	<b>2014/15</b>	<b>2013/14</b>
		<b>R'000</b>	<b>R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>10,742,880</b>	<b>9,619,174</b>
Annual appropriated funds received	1.1	9,050,885	8,046,081
Departmental revenue received	2	1,651,960	1,573,050
Interest received		35	43
Aid assistance received		40,000	-
Net (increase)/decrease in working capital		19,707	67,357
Surrendered to Revenue Fund		(1,783,493 )	(1,468,104)
Current payments		(4,191,633)	(3,938,001)
Interest paid		(5)	(73)
Payment for financial assets		(380)	(582)
Transfers and subsidies paid		(1,028,292)	(931,273)
<b>Net cash flow available from operating activities</b>	<b>17</b>	<b>3,758,784</b>	<b>3,348,498</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	9	(3,845,558)	(3,186,152)
Proceeds from sale of capital assets	2.4	4,389	4,181
<b>Net cash flows from investing activities</b>		<b>(3,841,169)</b>	<b>(3,181,971)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Distribution/dividend received		23	24
(Decrease)/ Increase in net assets		73	974
<b>Net cash flows from financing activities</b>		<b>96</b>	<b>998</b>
Net decrease in cash and cash equivalents		(82,289)	167,525
Cash and cash equivalents at the beginning of the year		83,908	(83,617)
<b>Cash and cash equivalents at end of year</b>	<b>18</b>	<b>1,619</b>	<b>83,908</b>

## ACCOUNTING POLICIES

### for the year ended 31 March 2015

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)

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.



## ACCOUNTING POLICIES

### for the year ended 31 March 2015

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 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 then 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.

## ACCOUNTING POLICIES

for the year ended 31 March 2015

**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.

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.

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).



## ACCOUNTING POLICIES

### for the year ended 31 March 2015

#### 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

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.

## ACCOUNTING POLICIES

### for the year ended 31 March 2015

#### 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

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.



## ACCOUNTING POLICIES

### for the year ended 31 March 2015

#### 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

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.

### 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.

## ACCOUNTING POLICIES

### for the year ended 31 March 2015

#### 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.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2015

**Annual Appropriation****1.1 Annual Appropriation**

	Final Appropriation	Actual Funds Received	Funds not requested/not received	Appropriation received 2013/14
	R'000	R'000	R'000	R'000
Administration	258,972	258,972	-	257,304
Transport Infrastructure	6,820,455	6,820,455	-	5,987,086
Transport Operations	1,227,597	1,227,597	-	1,137,899
Transport Regulations	702,150	702,150	-	621,318
Community Based Programme	41,711	41,711	-	42,474
<b>Total</b>	<b>9,050,885</b>	<b>9,050,885</b>	<b>-</b>	<b>8,046,081</b>

	Note	2014/15	2013/14
		R'000	R'000
<b>1.2 Conditional grants</b>			
Conditional grants received	1A	2,752,384	2,464,340
<b>2. Departmental revenue</b>			
Tax revenue		1,481,126	1,396,323
Sales of goods and services other than capital assets	2.1	126,811	130,592
Fines, penalties and forfeits	2.2	43,476	38,186
Interest, dividends and rent on land	2.3	236	202
Sales of capital assets	2.4	4,389	4,181
Financial transactions in assets and liabilities	2.5	369	7,814
<b>Departmental revenue collected</b>		<b>1,656,407</b>	<b>1,577,298</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2015

	<i>Note</i>	<b>2014/15</b> <b>R'000</b>	<b>2013/14</b> <b>R'000</b>
<b>2.1 Sales of goods and services other than capital assets</b>	<b>2</b>		
Sales of goods and services produced by the department		<b>126,811</b>	<b>130,554</b>
Sales by market establishment		5,831	6,138
Administrative fees		113,874	118,502
Other sales		7,106	5,914
Sales of scrap, waste and other used current goods		-	38
<b>Total</b>		<b>126,811</b>	<b>130,592</b>
<b>2.2 Fines, penalties and forfeits</b>	<b>2</b>		
Fines		43,476	38,186
<b>Total</b>		<b>43,476</b>	<b>38,186</b>
<b>2.3 Interest, dividends and rent on land</b>	<b>2</b>		
Dividends		23	24
Interest		35	43
Rent on land		178	135
<b>Total</b>		<b>236</b>	<b>202</b>
<b>2.4 Sale of capital assets</b>	<b>2</b>		
<b>Tangible assets</b>			
Machinery and equipment	2	4,389	4,181
<b>Total</b>		<b>4,389</b>	<b>4,181</b>
<b>2.5 Financial transactions in assets and liabilities</b>	<b>2</b>		
Receivables			
Stale cheques written back		-	2
Other Receipts including Recoverable Revenue		369	7,812
<b>Total</b>		<b>369</b>	<b>7,814</b>



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for the year ended 31 March 2015

	<i>Note</i>	<b>2014/15</b>	<b>2013/14</b>
		<b>R'000</b>	<b>R'000</b>
<b>3. Aid Assistance</b>			
Opening Balance		18,536	18,536
As restated		18,536	-
Transferred from statement of financial performance		25,017	-
<b>Closing Balance</b>		<b>43,553</b>	<b>18,536</b>
<b>Analysis of balance</b>			
Aid assistance unutilised		<b>43,553</b>	<b>18,536</b>
Other sources		43,553	18,536
<b>Closing balance</b>		<b>43,553</b>	<b>18,536</b>
<b>4. Compensation of employees</b>			
<b>4.1 Salaries and Wages</b>			
Basic salary		660,856	610,441
Performance award		14,762	13,865
Service Based		4,148	4,483
Compensative/circumstantial		121,138	99,557
Periodic payments		14,434	14,540
Other non-pensionable allowances		422,021	398,639
<b>Total</b>		<b>1,237,359</b>	<b>1,141,525</b>
<b>4.2 Social contributions</b>			
<b>Employer contributions</b>			
Pension		78,578	71,048
Medical		53,121	53,580
UIF		30	-
Bargaining council		256	236
Insurance		516	386
<b>Total</b>		<b>132,501</b>	<b>125,250</b>
<b>Total compensation of employees</b>		<b>1,369,860</b>	<b>1,266,775</b>
Average number of employees		3,917	3,835

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	<i>Note</i>	<b>2014/15</b>	<b>2013/14</b>
		<b>R'000</b>	<b>R'000</b>
<b>5. Goods and services</b>			
Administrative fees		1,632	9
Advertising		11,304	16,368
Assets less than R5,000	5.1	5,503	5,422
Bursaries (employees)		442	1,554
Catering		7,394	9,342
Communication		35,373	33,055
Computer services	5.2	44,083	22,508
Consumables		18,884	16,824
Consultants, Business and advisory services	5.3	152,423	95,519
Infrastructure and planning services	5.3	94	654
Laboratory services	5.3	435	305
Legal services		19,054	24,972
Contractors	5.3	1,958,622	1,953,654
Agency and support / outsourced services	5.3	1,710	3,680
Entertainment	5.3	13	10
Audit cost - external	5.4	6,960	6,436
Fleet services		69,095	71,790
Inventory	5.5	132,006	110,083
Operating leases		18,465	15,169
Owned and leasehold property expenditure	5.7	86,921	77,986
Rental and hiring		3,450	4,272
Transport provided as part of the departmental activities		142,040	127,539
Travel and subsistence	5.8	59,674	56,730
Venues and facilities		19,505	12,172
Training and staff development		3,443	8,291
Other operating expenditure	5.9	9,329	5,988
<b>Total</b>		<b>2,807,854</b>	<b>2,680,332</b>

The amounts disclosed as Consultants, contractors and agency / outsourced services has increased significantly from the previous financial year as a result of a change in classification of certain road infrastructure expenditure activities, previously disclosed under the item Expenditure for capital assets; Buildings and other fixed structures (being capital expenditure on road infrastructure).

**5.1 Assets less than R5,000**

5

**Tangible assets**

Machinery and equipment	5,503	5,422
<b>Total</b>	<b>5,503</b>	<b>5,422</b>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2015

	<i>Note</i>	<b>2014/15</b>	<b>2013/14</b>
		<b>R'000</b>	<b>R'000</b>
<b>5.2 Computer services</b>	<b>5</b>		
SITA computer services		34,351	20,779
External computer service providers		9,732	1,729
<b>Total</b>		<b>44,083</b>	<b>22,508</b>
<b>5.3 Consultants, contractors and agency/ outsourced</b>	<b>5</b>		
Business and advisory services		152,423	95,519
Infrastructure and planning		94	654
Laboratory services		435	305
Legal costs		19,054	24,972
Contractors		1,958,622	1,953,654
Agency and support/outsourced services		1,710	3,680
<b>Total</b>		<b>2,132,338</b>	<b>2,078,784</b>
<b>5.4 Audit cost - external</b>	<b>5</b>		
Regularity audits		4,294	5,920
Performance audits		1,128	516
Investigations		566	-
Computer audits		972	-
<b>Total</b>		<b>6,960</b>	<b>6,436</b>
<b>5.5 Inventory</b>	<b>5</b>		
Learning and teaching support material		393	575
Food and food supplies		999	610
Fuel, oil and gas		40,204	34,315
Clothing material and accessories		6,041	5,982
Material and supplies		82,685	64,312
Medicine		1,684	4,289
<b>Total</b>		<b>132,006</b>	<b>110,083</b>
<b>5.6 Consumables</b>	<b>5</b>		
Uniform and clothing		531	647
Household supplies		2,335	2,580
Communication accessories		564	-
IT consumables		2,122	1,718
Other consumables		63	48
Stationery, printing and office supplies		13,269	11,831
<b>Total</b>		<b>18,884</b>	<b>16,824</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2015

	<i>Note</i>	<b>2014/15 R'000</b>	<b>2013/14 R'000</b>
<b>5.7 Owned and leasehold property expenditure</b>	<b>5</b>		
Municipal services		31,786	27,917
Property maintenance and repairs		13,323	9,489
Other		41,812	40,580
<b>Total</b>		<b>86,921</b>	<b>77,986</b>
<b>5.8 Travel and subsistence</b>	<b>5</b>		
Local		59,538	55,622
Foreign		136	1,108
<b>Total</b>		<b>59,674</b>	<b>56,730</b>
<b>5.9 Other operating expenditure</b>	<b>5</b>		
Resettlement costs		488	120
Other		8,841	5,868
<b>Total</b>		<b>9,329</b>	<b>5,988</b>
 <b>6. Interest and rent on land</b>	 <b>5</b>		
Interest paid		5	73
 <b>7. Financial transactions in assets and liabilities</b>			
Other material losses written off	7.1	161	-
Debt written off	7.1	219	582
<b>Total</b>		<b>380</b>	<b>582</b>
<b>7.1 Other material losses written off</b>	<b>7</b>		
Claims by State - removal of vehicles		161	-
<b>Total</b>		<b>161</b>	<b>-</b>
<b>7.2 Debts written off</b>	<b>7</b>		
Salary overpayment		217	578
Tax debt		2	4
<b>Total</b>		<b>219</b>	<b>582</b>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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		2014/15 R'000	2013/14 R'000
<b>8. Transfers and subsidies</b>			
Provinces and municipalities	<i>Note 35</i>	4,093	4,281
Departmental agencies and accounts	<i>Annex1A</i>	4,522	-
Public corporations and private enterprise	<i>Annex1B</i>	985,852	915,867
Households	<i>Annex1C</i>	33,825	11,125
<b>Total</b>		<b>1,028,292</b>	<b>931,273</b>

**9. Expenditure for capital assets****Tangible assets**

		<b>3,842,056</b>	<b>3,181,822</b>
Building and other fixed structures	9.1	3,675,620	3,106,671
Machinery and equipment	9.1	166,436	75,151

**Software and other intangible assets**

		<b>3,502</b>	<b>4,330</b>
Computer software	9.1	3,502	4,330
<b>Total</b>		<b>3,845,558</b>	<b>3,186,152</b>

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

Goods and services	3,675,616	3,045,333
<b>Total</b>	<b>3,675,616</b>	<b>3,045,333</b>

**9.1 Analysis of funds utilised to acquire capital assets - 2014/15**

	Voted Funds	Aid assistance	TOTAL
	R'000	R'000	R'000
<b>Tangible assets</b>			
Building and other fixed structures	3,675,620	-	3,675,620
Machinery and equipment	166,436	-	166,436
<b>Software and other intangible assets</b>			
Patents, licences, copyright, brand names, trademarks	3,502	-	3,502
<b>Total</b>	<b>3,845,558</b>		<b>3,845,558</b>

**9.2 Analysis of funds utilised to acquire capital assets - 2013/14**

	Voted Funds	Aid assistance	TOTAL
Buildings and other fixed structures	3,096,671	10,000	3,106,671
Machinery and equipment	75,151	-	75,151
Patents, licences, copyright, brand names	4,330	-	4,330
	<b>3,176,152</b>	<b>10,000</b>	<b>3,186,152</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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	2014/15 R'000	2013/14 R'000
<b>9.3 Finance lease expenditure included in Expenditure for capital assets - Tangible</b>		
Machinery and equipment	8,344	7,895
<b>Total</b>	<b>8,344</b>	<b>7,895</b>
<b>10. Unauthorised expenditure</b>		
<b>10.1 Reconciliation of unauthorised expenditure</b>		
Opening balance	21,915	78,078
Unauthorised expenditure □ discovered in the current year	1,064	9,106
Less: Amounts approved by Parliament/Legislature with funding	(12,813)	(65,269)
<b>Unauthorised expenditure awaiting authorisation</b>	<b>10,166</b>	<b>21,915</b>
<b>10.2 Analysis awaiting authorisation per economic classification</b>		
Current	1,064	-
Capital	9,102	21,915
	<b>10,166</b>	<b>21,915</b>
<b>10.3 Details of unauthorised expenditure - current</b>		
Unauthorised Expenditure relating to overspending of the vote or a main division within the vote.	10,166	21,915
<b>Total</b>	<b>10,166</b>	<b>21,915</b>
<b>11. Cash and cash equivalents</b>		
Consolidated Paymaster General Account	289,162	81,450
Cash receipts	1,859	2,341
Disbursement	(289,428)	49
Cash on hand	26	68
<b>Total</b>	<b>1,619</b>	<b>83,908</b>
<b>12. Prepayments and advances</b>		
Travel and subsistence	846	806
<b>Total</b>	<b>846</b>	<b>806</b>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2015

**13. Receivables**

	Note	2014/15			2013/14	
		Less than one year	One to three years	Older than three years	Total	Total
		R'000	R'000	R'000	R'000	R'000
Claims recoverable	13.1, Annex4	35,110	4,126	28,625	67,861	75,440
Staff debt	13.2	2,636	546	1,879	5,061	4,458
Other debtors	13.3	1,318	-	1,967	3,285	3,730
<b>Total</b>		<b>39,064</b>	<b>4,672</b>	<b>32,471</b>	<b>76,207</b>	<b>83,628</b>

**13.1 Claims recoverable**

12

National departments	11,208	11,715
Provincial departments	51,365	58,480
Public entities	5,288	5,245
<b>Total</b>	<b>67,861</b>	<b>75,440</b>

**13.2 Staff debt**

12

Breach of Contract	398	864
In Service Debts	1,841	1,908
Out of Service Debts	2,121	1,174
Tax Debt	219	143
Other	482	369
<b>Total</b>	<b>5,061</b>	<b>4,458</b>

**13.3 Other debtors**

12

Dishonoured Cheques	228	579
Disallowance Fraudulent Payments	1,968	1,968
Salary Reversal	1,086	1,023
Other	3	160
<b>Total</b>	<b>3,285</b>	<b>3,730</b>

**14. Voted funds to be surrendered to the Revenue Fund**

Opening balance	-	6,299
Transfer from Statement of Financial Performance	(1,064)	(9,106)
Add: Unauthorised expenditure for current year	1,064	9,106
Paid during the year		(6,299)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

The closing balance consists of R Nil to be surrendered to National Departments for unspent conditional grants and R to be surrendered to Provincial Revenue Fund.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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		2014/15 R'000	2013/14 R'000
<b>15. Departmental revenue to be surrendered to the Revenue Fund</b>			
Opening balance		153,661	38,168
Transfer from Statement of Financial Performance		1,656,407	1,577,298
Paid during the year		(1,783,493)	(1,461,805)
Closing balance		<b>26,575</b>	<b>153,661</b>
<b>16. Payables - current</b>			
Advances received	16.1	7,551	7,745
Clearing accounts	16.2	-	1,631
Other payables	16.3	8,105	5,703
<b>Total</b>		<b>15,656</b>	<b>15,079</b>
<b>16.1 Advances received</b>			
	16		
Public Enterprises		2,917	3,286
National Departments		4,634	4,459
<b>Total</b>		<b>7,551</b>	<b>7,745</b>
<b>16.2 Clearing accounts</b>			
	16		
Traffic Fines received from court awaiting verification		-	1,631
<b>Total</b>		<b>-</b>	<b>1,631</b>
Sal: ACB Recalls		428	45
Sal: Deduction Disallowance		6	7
Sal: Medical Aid		7	-
Sal: Income tax		940	991
Traffic Fines received from court incorrectly paid to RTI		6,716	4,654
Other		8	6
<b>Total</b>		<b>8,105</b>	<b>5,703</b>
<b>17. Net cash flow available from operating activities</b>			
Net surplus/(deficit) as per Statement of Financial Performance		1,680,360	1,558,192
Add back non cash/cash movements not deemed operating activities		2,078,424	1,790,306
(Increase)/decrease in receivables - current		7,421	3,984
(Increase)/decrease in prepayments and advances		(40)	(123)
(Increase)/decrease in other current assets		12,813	65,269
Increase/(decrease) in payables - current		577	7,333
Proceeds from sale of capital assets		(4,389)	(4,181)
Distribution/dividends received		(23)	(24)
Expenditure on capital assets		3,845,558	3,186,152
Surrenders to Revenue Fund		(1,783,493)	(1,468,104)
Voted funds not requested/not received		-	-
<b>Net cash flow generated by operating activities</b>		<b>3,758,784</b>	<b>3,348,498</b>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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	2014/15 R'000	2013/14 R'000
<b>18. Reconciliation of cash and cash equivalents for cash flow purposes</b>		
Consolidated Paymaster General account	289,162	81,450
Cash receipts	1,859	2,341
Disbursement	(2,89,428)	49
Cash with commercial banks (Local)	26	68
<b>Total</b>	<b>1,619</b>	<b>83,908</b>

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

**19. Contingent liabilities**

Liable to	Nature		
Housing loan guarantees	Employees	<i>Annex 3A</i>	241
Claims against the department		<i>Annex 3B</i>	225,985
Other departments (interdepartmental unconfirmed balances)		<i>Annex 5</i>	83
<b>Total</b>			<b>194,831</b>

**20. Commitments**

**Current expenditure**

Approved and contracted	1,617,537	1,031,735
Approved but not yet contracted	51,266	35,934
	<b>1,668,803</b>	<b>1,067,669</b>

**Capital expenditure**

Approved and contracted	2,350,228	2,509,947
Approved but not yet contracted	1,226,158	863,806
	<b>3,576,386</b>	<b>3,373,753</b>

**Total Commitments**

**5,245,189**      **4,441,422**

**21. Accruals**

**Listed by economic classification**

	2014/15		2013/14	
	30 Days	30+ Days	Total	Total
Goods and services	205,989	9,437	215,426	515,446
Transfers and subsidies	74,093	2,780	76,873	81,809
Capital assets	479,076	266,019	745,095	776,268
Other	145,409	-	145,409	140,839
<b>Total</b>	<b>904,567</b>	<b>278,236</b>	<b>1,182,803</b>	<b>1,514,362</b>

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		<b>2014/15</b>	<b>2013/14</b>
		<b>R'000</b>	<b>R'000</b>
<b>Listed by programme level</b>			
Administration		187,877	175,728
Transport Infrastructure		753,278	1 170,757
Transport Operations		155,678	110,504
Transport Regulation		49,029	52,475
Community-Based Programme		36,941	4,898
		<b>1,182,803</b>	<b>1,514,362</b>
Confirmed balances with departments	<i>Annex 5</i>	1,870	237
		<b>1,870</b>	<b>237</b>

**22. Employee benefits**

Leave entitlement	53,391	46,634
Thirteenth cheque	26,239	23,495
Performance Awards	17,719	13,660
Capped leave commitments	77,820	79,225
Other	2,614	2,856
<b>Total</b>	<b>177,783</b>	<b>165,870</b>

An amount of R206.00, excluded from the capped leave balance above relates to leave taken in excess of the employees capped leave allocations.

**23. Lease Commitments****23.1 Operating leases expenditure**

<b>2014/15</b>	<b>Land</b>	<b>Buildings and other fixed structures</b>	<b>Machinery and equipment</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Not later than 1 year	50	353	15,824	16,227
Later than 1 year and not later than 5 years	96	-	-	96
<b>Total commitments</b>	<b>146</b>	<b>353</b>	<b>15,824</b>	<b>16,323</b>

<b>2013/14</b>	<b>Land</b>	<b>Buildings and other fixed structures</b>	<b>Machinery and equipment</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Not later than 1 year	54	2,089	7,467	9,610
Later than 1 year and not later than 5 years	147	353	-	500
<b>Total commitments</b>	<b>201</b>	<b>2,442</b>	<b>7,467</b>	<b>10,110</b>

**23.2 Finance leases**

<b>2014/15</b>	<b>Machinery and equipment</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>
Not later than 1 year	7,154	7,154
Later than 1 year and not later than 5 years	4,417	4,417
<b>Total present value of lease liabilities</b>	<b>11,571</b>	<b>11,571</b>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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2013/14	Machinery and equipment R'000	Total R'000
Not later than 1 year	7,625	7,625
Later than 1 year and not later than 5 years	7,917	7,917
<b>Total present value of lease liabilities</b>	<b>15,542</b>	<b>15,542</b>
Finance Lease commitments have increase as a result of the MCS broad definition which came into effect on the 2013-14 financial year		
<b>24. Accrued departmental revenue</b>		
Fines, penalties and forfeits	74,498	74,375
<b>Total</b>	<b>74,498</b>	<b>74,375</b>
<b>24.1 Analysis of accrued departmental revenue</b>		
Opening balance	74,375	30,177
Add: Amount recognised	573,063	572,114
Less: Amounts written-off/reversed as irrecoverable	(572,940)	(527,916)
<b>Closing balance</b>	<b>74,498</b>	<b>74,375</b>
<b>24.2 Receivables for department revenue written off</b>		
Prior year motor licence fees not recovered	74,375	30,177
<b>Total</b>	<b>74,375</b>	<b>30,177</b>
<b>24.3 Impairment of accrued departmental revenue</b>		
Estimate if Impairment of accrued departmental revenue	498,565	497,739
<b>25. Irregular Expenditure</b>		
<b>25.1 Reconciliation of irregular expenditure</b>		
Opening balance	38,241	29,049
Add: Irregular expenditure relating to current year	11,287	9,192
<b>Irregular expenditure awaiting condonation</b>	<b>49,528</b>	<b>38,241</b>
<b>Analysis of awaiting condonation per age classification</b>	<b>49,528</b>	<b>38,241</b>
Current year	11,287	9,192
Prior years	38,241	29,049
<b>Total</b>	<b>49,528</b>	<b>38,241</b>
<b>25.2 Details of irregular expenditure - current year</b>		
Irregular SCM Process	6,565	
Payment made to incorrect supplier	1,087	
Payments made not approved by Provincial Treasury for events (Cost Cutting)	1,254	
Overtime exceeding 200%	2,381	
<b>Total</b>	<b>11,287</b>	

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2015

	2014/15 R'000	2013/14 R'000
<b>26. Fruitless and wasteful expenditure</b>		
<b>26.1 Reconciliation of fruitless and wasteful expenditure</b>		
Opening balance	73	1
Add: Fruitless and wasteful expenditure relating to current year	5	73
Less: Amounts resolved	(73)	(1)
<b>Fruitless and wasteful expenditure awaiting resolution</b>	<b>5</b>	<b>73</b>

**26.2 Analysis of current year fruitless and wasteful expenditure**

Interest on outstanding SARS account	5	73
<b>Total</b>	<b>5</b>	<b>73</b>

**27. Key management personnel**

	No. of Individuals		
Political office bearers (provide detail below)	1	1,822	1,734
Officials			
Level 15 to 16	4	6,028	5,810
Level 14 (incl. CFO if at a lower level)	10	11,054	10,096
Family members of key management personnel	4	1,000	911
<b>Total</b>		<b>19,904</b>	<b>18,551</b>

**28. Provisions**

Claims against the state	2,772	-
	<b>2,772</b>	<b>-</b>

**28.1 Reconciliation of movement in provision 2014/15**

	Claims against the state	Total Provisions
Settlement of provision	2,772	-
	<b>2,772</b>	<b>-</b>

**29. Movable Tangible Capital Assets****Movement in Movable Tangible 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
<b>Machinery and Equipment</b>	<b>769 403</b>	<b>166,436</b>	<b>(7,478)</b>	<b>928,361</b>
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
<b>Total Movable Tangible Capital Assets</b>	<b>769,403</b>	<b>166,436</b>	<b>(7,478)</b>	<b>928,361</b>
<b>Additions</b>				



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### for the year ended 31 March 2015

#### 29.1 Additions to Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2015

	(Capital work in progress current costs and finance lease payments)	Received current not paid (Paid current year, received prior year)	Cost
	R'000	R'000	R'000
<b>Machinery and Equipment</b>	<b>8,344</b>	<b>-</b>	<b>166,436</b>
Transport assets	-	-	149,749
Computer equipment	-	-	3,149
Furniture and office equipment	8,344	-	10,318
Other machinery and equipment	-	-	3,220
<b>Total Additions to Movable Tangible Capital Assets</b>	<b>8,344</b>	<b>-</b>	<b>166,436</b>

#### 29.2 Disposals of Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2015

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>Machinery and Equipment</b>	<b>7,478</b>		<b>7,478</b>	<b>2,474</b>
Transport assets	7,478	-	7,478	2,474
<b>Total Disposal of Movable Tangible Capital Assets</b>	<b>7,478</b>	<b>-</b>	<b>7,478</b>	<b>2,474</b>

#### Movement for 2013/14

#### 29.3 Movement in Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2014

	Opening Balance	Prior Period Error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>Machinery and Equipment</b>	<b>701,640</b>	<b>(657)</b>	<b>84,370</b>	<b>15,950</b>	<b>769,403</b>
Transport assets	353,827	(1,092)	70,827	15,935	407,627
Computer equipment	12,614	-	3,266	-	15,880
Furniture and office equipment	30,947	-	9,036	15	39,968
Other machinery and equipment	304,252	435	1,241	-	305,928
<b>Total Additions to Movable Tangible Capital Assets</b>	<b>701,640</b>	<b>(657)</b>	<b>84,370</b>	<b>15,950</b>	<b>769,403</b>

#### 29.4 Minor Assets

##### Movement in Minor Assets Per the Asset Register for the year ended 31 March 2015

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	-	36,579	<b>36,579</b>
Additions	-	5,501	<b>5,501</b>
Disposals	-	2,142	2,142
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>39,938</b>	<b>39,938</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2015

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Number of R1 Minor Assets	-	35,687	35,687
Number of Minor Assets at Cost	-	19,337	19,337
<b>TOTAL NUMBER OF MINOR ASSETS</b>	-	<b>55,024</b>	<b>55,024</b>

**Minor Assets****Movement in Minor Assets Per the Asset Register for the year ended 31 March 2014**

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	-	31,253	<b>31,253</b>
Prior Period Error	-	80	<b>80</b>
Additions	-	5,412	<b>5,412</b>
Disposals	-	166	<b>166</b>
<b>TOTAL MINOR ASSETS</b>	-	<b>36,579</b>	<b>36,579</b>

**30. Intangible Capital Assets****Movement in Intangible Capital Assets per Asset Register for the year ended 31 March 2015**

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
Patents, Licences, Copyright, Brand	26,244	3,502	-	29,746
<b>Total Intangible Assets</b>	<b>26,244</b>	<b>3,502</b>	<b>-</b>	<b>29,746</b>

**30.1 Additions to Intangible Capital Assets per Asset Register for the year ended 31 March 2015**

	Cash	Non-cash	Closing Balance
	R'000	R'000	R'000
Patents, Licences, Copyright, Brand	3,502	-	3,502
<b>Total Intangible Assets</b>	<b>3,502</b>	<b>-</b>	<b>29,746</b>

**30.2 Movement in Intangible Capital Assets per Asset Register for the year ended 31 March 2014**

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
Patents, Licences, Copyright, Brand	21,914	4,330	-	26,244
<b>Total Intangible Assets</b>	<b>21,914</b>	<b>4,330</b>	<b>-</b>	<b>26,244</b>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2015

**31. Immovable Tangible Capital Assets****Movement in Immovable Tangible Capital Assets Per the Asset Register for the year ended 31 March 2015**

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Buildings and Other Fixed Structures	8,744,299		1,272,181	(1)	10,016,479
<b>Other Fixed Structures</b>	<b>8,744,299</b>		<b>1,272,181</b>	<b>(1)</b>	<b>10,016,479</b>

**31.1 Additions****Additions to Immovable Tangible Capital Assets Per the Asset Register for the year ended 31 March 2015**

	Cash	Non Cash	(Capital work-in- progress current costs and finance lease payments)	Total
	R'000	R'000	R'000	R'000
Buildings and Other Fixed Structures	3,670,110	784,961	(3,182,890)	1,272,181
Other fixed structures	3,670,110	784,961	(3,188,890)	1,272,181
<b>Total Additions to Immovable Tangible Capital Assets</b>	<b>3,670,110</b>	<b>784,961</b>	<b>(3,182,890)</b>	<b>1,272,181</b>

**31.2 Disposals****Disposals of Immovable Tangible Capital Assets Per the Asset Register for the year ended 31 March 2015**

	Sold for Cash	Transfer out or destroyed or scrapped	Total Disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
Buildings and Other Fixed Structures	1	-	1	741
Other fixed structures	1	-	1	741
<b>Total Disposals of Immovable Tangible Capital Assets</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>741</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2015

**Movement for 2013/14****31.3 Movement in Immovable Tangible Capital Assets Per the Asset Register for the year ended 31 March 2014**

	Opening balance	Prior Period Error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Buildings and Other Fixed Structures	8,484,605	44,246	215,448		8,744,299
<b>Other Fixed Structures</b>	<b>8,484,605</b>	<b>44,246</b>	<b>215,448</b>		<b>8,744,299</b>

**32. Prior Period Errors**

## Commitments

Approved and Contracted

(633,564)

Approved and Not Contracted

877,076

**Net Effect****243,512**

## Accruals

667,058

**Net Effect****667,058**

<b>33 INVENTORY</b>	<b>Note</b>	<b>2014/15</b>		<b>2013/14</b>	
		<b>Quantity</b>	<b>R'000</b>	<b>Quantity</b>	<b>R'000</b>
<b>Inventory</b>	<i>Annex6</i>				
Opening balance			22 117		20 716
Add: Additions/Purchases - Cash			88 625		77 082
(Less): Issues			(71 870)		(67 114)
Add/(Less): Adjustments			(9 801)		(8 567)
Closing balance		-	29 071	-	22 117



# 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					2013/14	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by department	Amount spent by department	Under/ (over-spend-ing)	% 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	1,788,158	-	-	-	1,788,158	1,788,158	1,788,158		100%	1,523,528	1,523,528
Public Transport Operations	904,783	-	-	-	904,783	904,783	904,783		100%	852,325	914,416
EPWP Incentive	59,443	-	-	-	59,443	59,443	59,443		100%	88,487	88,487
	<b>2,752,384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,752,384</b>	<b>2,752,384</b>	<b>2,752,384</b>			<b>2,464,340</b>	<b>2,526,431</b>

**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			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available		Amount received by department	Amount spent by department	% of Available funds Transferred	
	R'000	R'000	R'000	R'000		R'000		%	
<b>Summary by province</b>									
KwaZulu-Natal	1,600	-	-	1,600	4,093	4,093	-	0%	1,600
	<b>1,600</b>	<b>-</b>	<b>-</b>	<b>1,600</b>	<b>4,093</b>	<b>4,093</b>	<b>-</b>	<b>-</b>	<b>1,600</b>
<b>Summary by grant</b>									
Departmental Vehicle Licences	1,600	-	-	1,600	4,093	4,093	-	0%	1,600
	<b>1,600</b>	<b>-</b>	<b>-</b>	<b>1,600</b>	<b>4,093</b>	<b>4,093</b>	<b>-</b>	<b>-</b>	<b>1,600</b>
<b>1.Departmental Vehicle Licences</b>									
Departmental Vehicle Licences	1,600	-	-	1,600	4,093	4,093	-	0%	1,600
	<b>1,600</b>	<b>-</b>	<b>-</b>	<b>1,600</b>	<b>4,093</b>	<b>4,093</b>	<b>-</b>	<b>-</b>	<b>1,600</b>



# 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		2013/14 Appropriation Act R'000
	Adjusted appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred %	
Construction SETA	3 844	-	-	3 844	3 844	100%	-
Public Sector SETA	678	-	-	678	678	100%	-
	4 522	-	-	4 522	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			2013/2014		
	Adjusted ap- propriation Act	Roll Overs	Adjustments	Total Avail- able	Actual Transfer	% of Available funds transferred	Capital	Current	Appropri- ation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Private Enterprises									
Vukuzakhe Emerging Contractor Association	6,000		(5,100)	900	900	-	-	900	1,451
Public Transport Operations Grant	996,829	-	(11,877)	984,952	984,952	98.9	-	984,952	914,416
TOTAL	1,002,829	-	92,046	985,852	985,852	98.3	-	985,852	915,867



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2015

**ANNEXURE 1C**  
**TRANSFERS TO HOUSEHOLDS**

NAME OF PROVINCE/GRANT	TRANSFER ALLOCATION				EXPENDITURE		2013/14 Grant Allocation
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
<b>Transfers</b>							
Employee Benefits : Injury on duty	1,400	-	910	2,310	2,310	100	1,438
Employee Benefits : Leave Gratuity	5,174	-	3,354	8,528	8,528	100	6,189
Claims Against State – cash	1,500	-	10,396	11,896	11,896	100	1,566
Refund & Rem-Act/Grace	1,800	-	8,873	10,673	10,673	100	1,851
Donations & Gifts	100	-	318	418	418		81
<b>Total</b>	<b>9,974</b>	<b>-</b>	<b>23,851</b>	<b>33,825</b>	<b>33,825</b>		<b>11,125</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2015

**ANNEXURE 1D**

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

<b>NATURE OF GIFT, DONATION OR SPONSORSHIP</b>	<b>2014/15</b>	<b>2013/14</b>
<b>(Group major categories but list material items including name of organisation)</b>	<b>R'000</b>	<b>R'000</b>
<b>Received in kind</b>		
South African Breweries (Equipment for Departmental Sport Day)	-	14
<b>Subtotal</b>	-	<b>14</b>
<b>TOTAL</b>	-	<b>14</b>



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2015

**ANNEXURE 1E**  
**STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	OPENING	REVENUE	EXPENDITURE	CLOSING
		BALANCE			BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
Ethekekwini Municipality	Provincial Public Transport Infrastructure	18,536	-	10,295	8,241
RTMC	Road Safety Improvement Programme	-	40,000	4,688	35,312
<b>TOTAL</b>		<b>18,536</b>	<b>40,000</b>	<b>14,983</b>	<b>43,553</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2015

ANNEXURE 2A  
STATEMENT OF INVESTMENTS

Name of entity	Nature of business	Cost of investment		Net Asset Value of investment	
		R'000 2014/15	R'000 2013/14	R'000 2014/15	R'000 2013/14
SANLAM	Investment	-	-	852	-
<b>TOTAL</b>		-	-	<b>852</b>	



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2015

ANNEXURE 3A  
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 March 2015 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2013	Guarantees drawdowns during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Closing balance 31 March 2014
	R'000	R'000	R'000	R'000	R'000	R'000
ABSA Bank Limited	Housing	3,094	188	26	-	162
People's Bank FBC Fidelity Limited	Housing	65	-	-	-	-
FNB (A Division of First Rand Bank Limited)	Housing	1,898	-	-	-	-
Ithala Bank Limited	Housing	327	26	-	-	26
Nedbank Limited	Housing	730	-	-	-	-
Nedbank (NBS)	Housing	117	-	-	-	-
Old Mutual (Nedbank/ Permanent Bank)	Housing	989	24	-	-	24
FNB (Former Saambou Bank Limited)	Housing	213	16	-	-	16
Standard Bank of South Africa Limited	Housing	1,101	13	-	-	13
<b>TOTAL</b>		<b>8,534</b>	<b>267</b>	<b>26</b>	<b>-</b>	<b>241</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2015

**ANNEXURE 3B**  
**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 March 2015**

Nature of Liability	Opening Balance 01/04/2014	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31/03/2015
	R'000	R'000	R'000		R'000
<b>Claims against the department</b>					
Potholes	56,782	4,614	18,409	-	42,987
Accidents	39,258	481	664	-	39,075
Civil	129,945	27,899	41,267	-	116,577
<b>TOTAL</b>	<b>225,985</b>	<b>32,994</b>	<b>60,340</b>	<b>-</b>	<b>198,639</b>



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2015

ANNEXURE 4  
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	R'000	R'000	R'000	R'000	R'000	R'000
<b>National Departments</b>						
Correctional Services	-	-	117	1,893	117	1,893
Justice	-	-	11,366	11,379	11,366	11,379
SASSA	-	-	-	249	-	249
Other	-	-	54	-	54	-
Unallocated Credits	-	-	(329)	(1,817)	(329)	(1,817)
Subtotal	-	-	11,208	11,704	11,208	11,704
<b>KZN Provincial Departments</b>						
KZN Provincial Departments						
Agriculture	-	-	1,099	4,817	1,099	4,817
Education	-	5,959	7,994	6,635	7,994	12,594
Health	-	-	29,678	17,064	29,678	17,064
Human Settlement	-	58	24	-	24	58
Co-Operative Gov & Traditional Affairs	-	-	3,364	4,327	3,364	4,327
Office of the Premier	-	-	2,297	202	2,297	202
Provincial Legislature	-	415	186	-	186	415
Provincial Treasury	-	-	2	-	2	-
Royal Household	-	-	1,679	1,803	1,679	1,803
Safety and Security	-	-	332	237	332	237
Social Welfare	-	857	3,057	2,189	3,057	3,046
Works	-	-	164	56	164	56
Economic Affairs	-	-	3	16	3	16
Sport	-	-	516	1	516	1

# ANNEXURE 4 CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	R'000	R'000	R'000	R'000	R'000	R'000
Art & Culture	-	-	806	899	806	899
Unallocated Credits	-	-	-	(4)	-	(4)
Other	-	-	-	2,158	-	2,158
<b>KZN Municipalities</b>						
Ethekewini Municipality	-	-	-	6,890	-	6,890
Maphumulo Municipality	-	-	164	-	164	-
Sub total	-	7,289	51,365	47,290	51,365	54,579
<b>Public Entities</b>						
National Public Entities	-	-	5,288	5,245	5,288	5,245
Subtotal	-	-	5,288	5,245	5,288	5,245
<b>TOTAL</b>	<b>-</b>	<b>7,289</b>	<b>67,861</b>	<b>64,239</b>	<b>67,861</b>	<b>71,528</b>

Includes all amounts owing by National and Provincial Departments as well as all Public Entities, Constitutional Institutions and Trading Entities



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2015

ANNEXURE 5  
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
Current						
<b>KwaZulu-Natal Provincial Departments</b>						
Education	-	-	-	64	-	64
Social Welfare	-	8	-	-	-	8
Office of the Premier	-	221	-	-	-	221
Works	1,525	-	-	-	1,525	-
Community Safety and Liaison	332	-	-	-	332	-
Health	13	8	-	-	13	8
<b>National Departments</b>						
DOJ & CD	-	-	-	10	-	10
The Presidency	-	-	-	9	-	9
Labour	19	-	-	-	19	-
<b>Total</b>	<b>1,889</b>	<b>237</b>	<b>-</b>	<b>83</b>	<b>1,889</b>	<b>320</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2015

**ANNEXURE 6**  
**INVENTORY**

	2014/15	2013/14
	R'000	R'000
<b>Inventory</b>		
Opening balance	22,117	20,716
Add/(Less): Adjustments to prior year balances	-	-
Add: Additions/Purchases - Cash	88,625	77,082
Add: Additions - Non-cash	-	-
(Less): Disposals	-	-
(Less): Issues	(71,870)	(67,114)
Add/(Less): Adjustments	(9,801)	(8,567)
<b>Closing balance</b>	<b>29,071</b>	<b>22,117</b>
No quantities have been disclosed as the inventory consists of different types of inventory and each type of inventory has a different unit of measure.		



ANNEXURE 7  
INTER-ENTITY ADVANCES RECEIVED

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
National Departments						
RMTC	4,634	4,459	-	-	4,634	4,459
<b>Public Entities</b>						
PRODIBA	2,917	3,286	-	-	2,917	3,286
	-	-	-	-	-	-
<b>Total</b>	<b>7,551</b>	<b>7,745</b>	<b>-</b>	<b>-</b>	<b>7,551</b>	<b>7,745</b>

NOTES:

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no text or other markings on the paper.



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