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# PART A

GENERAL  
INFORMATION





## 1. DEPARTMENT GENERAL INFORMATION

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WEBSITE ADDRESS : [www.freetrans.gov.za](http://www.freetrans.gov.za)

## 2. LIST OF ABBREVIATIONS/ACRONYMS

AAC	Arrive Alive Campaign
AATRO	Administrative Adjudication Road Traffic Offences
AGSA	Auditor-General of South Africa
AIS	Accident Information System
APP	Annual Performance Plan
ASGISA	Accelerated and Shared Growth Initiative for South Africa
ATMS	Accident and Traffic Management Systems
BAC	Business Against Crime
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
BCBD	Bloemfontein Central Business District
BEE	Black Economic Empowerment
BIF	Bloemfontein Inter-modal Facility
BRT (P)	Bus Rapid Transit (Project)
CAPPVA	Control of Access to Public Premises and Vehicle Act
CCTV	Closed Circuit Television
CDP	Contractor Development Programme
CE	Civil Engineering
CEFs	Community Engagement Forums
CEPE	Civil Engineering Potentially Emerging
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
CJS	Criminal Justice System
CPEC	Central Procurement Evaluation Committee
CPF(s)	Community Policing Forum(s)
CPG	Contract Participation Goal
CPSs	Community Policing Structures
CSC	Community Service Centre

CSFs	Community Safety Forums
CSIR	Council for Scientific and Industrial Research
COP (17)	Congress of Parties
DBE	Department of Basic Education
DCDP	Departmental Contractor Development Programme
DD	Deputy Director
DDG	Deputy Director General
DG	Director General
DGT	Director General Transport
DORA	Division of Revenue Act
DoT	Department of Transport
DOTY	Driver of the Year
DPP	Director of Public Prosecutions
DPSA	Department of Public Service and Administration
DPRT	Department of Police, Roads and Transport
DTP	Driver Training Program
DWAF	Department of Water Affairs and Forestry
EAP	Employee Assistance Programs
EU	European Union
EXCO	Executive Council
ENaTIS	Electronic National Traffic Information System
EPWP	Expanded Public Works Programme
FDs	Freight Databanks
FLH	Freight Logistics Hub
FSDP	Free State Development Plan
FSGDS	Free State Growth and Development Strategy
FT	Freight Transport
FVCPOU	Family Violence, Child Protection and Sexual Offences Unit
GCC	General Conditions of Contract
GIS	Geographical Information System
GMT	Government Motor Transport



HDI(s)	Historically Disadvantaged Individual(s)
HLH	Harrismith Logistical Hub
HOD	Head of the Department
HRM	Human Resource Management
IBL	Interstate Bus Line
ICD	Independent Complaints Directorate
ICJS	Integrated Criminal Justice System
ICT	Information Communication Technology
IDMC	Inter Departmental Management Committee
IDP	Integrated Development Plan
IMTM	Integrated Modal Transport Management
IP	Infrastructure Plan
IT	Information Technology
IPTN's	Integrated Public Transport Networks
IRPTN	Integrated Rapid Public Transport Networks
ISS	Institute for Security Studies
ITIL	Information Technology Infrastructure Library
IYM	In-Year Monitoring
JCPS	Justice, Crime Prevention and Security (Cluster)
JDs	Job Description
JVs	Joint Ventures
KPI	Key Performance Indicator
LBL	Learner Drivers' License
LLM	Learners' License Module
LOGIS	Logistical Information System
LR	Labour Relations
LTA	Learner Transport Association
MACC	Multi-Agency Co-ordinating Committee
MCM	Mangaung Local Municipality
MEC	Member of the Executive Council
MTEF	Medium Term Expenditure Framework

MISS	Minimum International Security Standards
MP	Management Plan
MPL	Member of the Provincial Legislature
MPL Complex	Accommodation Quarters for Members of the Provincial Legislature
MTS	Metered Taxi Service
NAAMSA	National Association of Automobile Manufactures of South Africa
NFLS	National Freight Logistics Strategy
NRSS	National Road Safety Strategy
NWPTP	National White Paper Transport Policy
NCPS	National Crime Prevention Strategy
NDOTY	National Driver of the Year
NGO	Non-Governmental Organisation
NLTTA	National Land Transport Transition Act
NMT	National Minister of Transport
NMT	Non-motorised Transport/Shova Kalula
NPTF	Naledi Public Transport Facility
NQF	National Qualifications Framework
NRTL	National Road Traffic Law
NRTLEC	National Road Traffic Law Enforcement Code
NRTS	National Road Traffic Strategy
NYSP	National Youth Service Programme
OC	Overload Control
OLB	Operating Licensing Board
OLO	Operating Licensing Officers
OTV's	Old Taxi Vehicles
PAs	Performance Agreements
PCPB	Provincial Community Police Board
PCPFB	Provincial Community Policing Forum Board
PDMS	Performance Development and Management System
PEP	Performance Enhancement Programme
PERSAL	Personal Salary Reference

PFMA	Public Finance Management Act
PFTFS	Provincial Freight Transport Framework and Strategy
PISO	Provincial Information Security Officer
PIT	Public Transport Implementation
PTIC	Public Transport Integration Committee
PMT	Provincial Monitoring Tool
PPP	Public Private Partnership
PPFA	Preferential Procurement Policy Framework Act
PTOG	Public Transport Operation Grant
PROMAN	Project Management System
PROPAC	Provincial Public Accounts Committee
PSC	Project Steering Committee
PSIRA	Private Security Regulation Act
PSO	Programme Support Office
PTC	Provincial Taxi Council
PTI	Public Transport Industry
RAMS	Roads Asset Management System
RBE	Road Building Equipment
REA	Roads Execution Authority
RFP	Request for Proposal
RIFSA	Road Infrastructure Strategy Framework for South Africa
RMCs	Roads Maintenance Contracts
RSE	Road Safety Education
RTA	Road Traffic Accidents
RTMC	Road Transport Management Corporation
SANRAL	South African National Road Agency Limited
S&T	Subsistence and Travel Allowance
SAPS	South African Police Services
SAQA	South African Qualifications Authority
SARCC	South African Rail Commute Cooperation
SCM	Supply Chain Management
SCOA	Standard Chart of Accounts



SCPP	Social Crime Prevention Projects
SCVC	Service Charter for Victims of Crime
SDIP	Service Delivery Improvement Plan
SEC	Socio Economic Cluster
SMMEs	Small Micro Medium Enterprises
SMS	Senior Management Service
SMFS	Supervising Monitoring Firm
SITA	State Information Technology Agency
SPTF	Setsoto Public Transport Facility
SSC	Safety and Security Cluster
STC	Setsoto Transport Centre
TAC	Transport Administration and Licensing
TAL	Transport Administration and Licensing
TAs	Taxi Associations
TCC	Traffic Control Centres
TCs	Testing Centres
TETA	Transport Education Training Authority
TI	Taxi Industry
TLE	Traffic Law Enforcement
TM	Traffic Management
TMSs	Traffic Management Systems
TR	Treasury Regulations
TRP	Taxi Recapitalisation Program
TTC	Traffic Training College
U-AMP	User Asset Management Plan
VCI	Visual Condition Index
VCT	Voluntary Counselling and Testing
VEFs	Victim Empowerment Facilities
VSC	Victim Support Centre
VSRs	Victim Support Rooms
VSVs	Victim Support Volunteers
WSs	Weighbridge Stations

### 3. FOREWORD BY THE MEC

As the Member of the Executive Council responsible for the Department of Police, Roads and Transport, it is indeed with great humility that we present our Annual Report for the 2014/2015 financial year.

As the report will show, the Department continues to express commitment to meeting its objectives, as determined in the targets determined at the start of the 2013/2014 financial year.

The Constitution of the Republic of South Africa enjoins our Department to monitor, oversee and assess police service delivery in the Province so as to provide for an enabling environment in which the people of our Province to feel safe and can begin to flourish.

It was therefore in this context that we committed ourselves to expedite the implementation of the Provincial Crime Prevention Strategy.

Today we can report that the Department has successfully engaged in a number of crime prevention programmes and projects with our partners in the Justice, Crime Prevention and Security Cluster (JCPS).

The impact of these projects is clearly demonstrated by the downward trend suggested by the crime statistics. The Department also launched a Facebook page for communities to make inputs on policing. The Facebook page enables communities to know the contact details of their Station and Cluster Commanders.

Equally crucial, is our work around law enforcement on the roads, providing safe roads as well as the subsidisation of public transport for the economy of the Free State Province cannot grow in an atmosphere of crime and lawlessness.

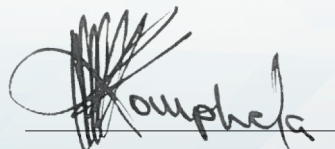
Elsewhere, the report details sustained work in the improvement of Road and Transport Infrastructure.

As we do so, jobs and job opportunities continue to be created. These innovations are important in our effort to address the triple challenges of poverty, inequality and unemployment.

Internally, the Department has also made huge strides in improving its own capacity.

In the 2014/2015 Financial Year, the vacancy rate has dropped significantly with a number of females appointed at Senior Management level, and many other employees have been promoted internally.

We will therefore continue to strive to make the lives of our people better, particularly by contributing towards creating an enabling environment for the advancement of economic freedom.



**BM KOMPHELE**

**MEC: Police, Roads and Transport**

**Date: 31 July 2015**



## 4. REPORT OF THE ACCOUNTING OFFICER

Report by the Accounting Officer to the Executive Authority and Parliament/Provincial Legislature of the Republic of South Africa.

### Overview of the operations of the Department

#### Departmental Performance as Measured by the Auditor-General

It pleases me that the Department has for the past three consecutive years, successfully turned around the corporate governance culture to one of acceptable compliance and sound management systems. The Auditor-General's reports of the past three financial years bear testimony to this affirmation. From a disclaimer during 2010/11 to a qualification in 2011/12 and unqualified reports in 2012/13 and 2013/14 with a decrease on material matters in the latter reports, marks a great achievement and demonstrates that the Department is on course and on its way to a clean audit.

#### Section 100 intervention and the implications

Even though Section 100 (1) (a) was not uplifted as was anticipated the Department continues to put in place measures that were aimed at total upliftment. Major cost drivers were, on an ongoing basis, identified and some mitigating measures and systems were continuously put in place to minimise and or prevent over-expenditure. The most critical cost drivers such as Travelling, Overtime (and S&T claims) were continuously managed through monitoring and control.

The Department, over and above Treasury cost containment measures, further tightened its measures and these continued to bear fruits. Managers were continuously encouraged to be innovative in executing work in order to achieve more with less. The Department remains optimistic that Cabinet will revoke the Section 100 (1) (a) status once the report is tabled by the National Treasury.

#### Crime Prevention

The Provincial Crime Prevention Strategy (PCPS) that was launched on the 12th of July 2013 propagates an integrated approach to safety and security and requires coordination of crime prevention activities across a variety of stakeholders, Departments and community bodies.

The PCPS, which is aligned to the NDP, is providing a framework to serve as an overarching planning instrument, articulating the development agenda and providing strategic direction for the Province with regard to the fight against crime.

To this effect, the Justice Crime Prevention and Security (JCPS) Cluster led by the Department has developed a Programme of Action (PoA) which is basically an implementation plan of the Strategy. The activities of the plan ranges from awareness campaigns aimed at discouraging crime, substance abuse, gangsterism, abuse of vulnerable groups, etc. to joint operations led by the SAPS and other law enforcement agencies.

Reporting on the implementation of the plan is done quarterly to the Executive Council and this has ensured that the strategy achieve its objective of coordinated collaborative approach to crime prevention and to this end, much has been achieved in the work around crime prevention and the 2013/14 Provincial crime statistics bears testimony to the success of the implementation of the strategy and collaborative approach to crime prevention.

#### Contractor Development Programme (CDP)

The Contractor Development Programme is a National initiative by which aspirant contractors are given an opportunity to develop and upgrade their skills and grading in a bid to create self-sustainable contractors while at the same time being provided with the work to put into practice what they have learnt in theory.



The current group consist of 94 learner contractors:

- 94 out of 105 learner contractors are currently appointed and are placed in practical and theoretical training.
- 9 out of 105 absconded the practical and theoretical training.
- 2 out of 105 are deceased, bringing to the total of 94 learner contractors.

Though the main purpose of the Programme is to empower up and coming Contractors to be self-reliant and sustainable in the future, the Department has, along the way, also benefited from the programme as it used some of the emerging contractors in addressing the Province's potholes challenges. This is the reason why the Department intends to increase the intake in the next financial year.

## **Transport Projects**

### ***Rural Mobility / Non-Motorized Transport***

For the period under review the Department has issued hundred bicycles to rural learners, these bicycles are aimed at improving rural mobility, non-motorised transport, but most importantly ensure that the learners arrive timeously at school still having the energy to constructively concentrate on their school work.

### **Bus Transformation**

Maluti Bus Services (MBS) – The Department together with the National Department of Transport is finalising the transformation process and a possible buyout of Ripple Effect which is the 30% shareholder.

Itumele Bus Lines (IBL) – The Department is in the process of finalizing the transformation of IBL, signing of shareholders agreement and due diligence.

In line with the MINMEC recommendations, all tendered, negotiated and interim contracts, will be extended for a three year period. In the Free State there are only tendered contracts (IBL) and negotiated contracts (MBS).

### ***Integrated Transport Plans (ITPs) (Fezile Dabi and Lejweleputswa)***

The aim of developing the ITPs is to develop a subsidised bus services in the above-mentioned areas. To this effect work is underway and the appointed service provider will submit a report to the Department.

## **Road Safety**

Lessons and training on road safety has taken place as planned. Over and above that the Department in partnership with Road Traffic Management Corporation (RTMC) issued 1 473 learners with school uniform in an effort to assist learners in the previously disadvantaged schools

### **Traffic Wardens**

The Department trained and deployed 324 Traffic Wardens. These Traffic Wardens assist in the areas of Traffic and Road Safety activities.

### **Training of 900 Matriculants**

The Department is training 900 matriculants to obtain Drivers Licenses. This programme is executed jointly with RTMC and will enable matriculants to be in a position to have driver's licenses and prepare them for employment and further studying opportunities.

### **Continuous support to the Provincial Taxi Council**

The Department transferred R5m to the Provincial Taxi Council this is in line with the continuous support and empowerment of the Taxi Industry.

## Law Enforcement Projects

### Appointment of Traffic Officers

To strengthen the law enforcement unit in order to prevent fatalities on the roads, the Department has appointed 154 trainees that are currently undergoing training. Once training is complete the trainees will complement the existing staff, enhance visibility on the roads and perform other law enforcement activities.

### Upgrading of testing stations

The Department has embarked on the process of upgrading the testing stations throughout the Province especially the roadworthy testing centres (Pits), which test roadworthiness of vehicles and trucks. An improvement in vehicle roadworthiness will assist in the reduction of road carnages.

### Installation of Moving Violation of Recording System

There are 15 state vehicles that are installed with moving violation recording system (MVRS), this will assist to monitor the moving violation offences.

## Overview of the financial results of the Department

### Departmental Receipts

The Department collected motor vehicle license tax and other related fees through the registration authorities and the Post Office. The tariffs used by the Department were promulgated in Provincial Gazette number 16 of 16 May 2014 (2013/14: Provincial Gazette number 15 of 5 July 2013).

Departmental receipts	2014/2015			2013/2014		
	Budget	Actual amount collected	Over/under collection	Budget	Actual amount collected	(over)/under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Motor vehicle licences	486,598	489,171	(2,573)	437,536	446,855	(9,319)
Sale of goods and services other than capital assets	79,085	69,675	9,410	76,926	72,685	4,241
Transfers received	0	0	0	0	0	0
Fines, penalties and forfeits	13,227	14,544	(1,317)	12,526	13,471	(945)
Interest, dividends and rent on land	176	291	(115)	146	213	(67)
Sale of capital assets						
Financial transactions in assets and liabilities	2,403	2,898	(495)	704	876	(172)
<b>Total</b>	<b>581,489</b>	<b>576,579</b>	<b>4,910</b>	<b>527,838</b>	<b>534,103</b>	<b>(6,265)</b>

### Motor Vehicle Licence Tax

The positive variance on Motor Vehicle Licence Tax is attributable to the following factors:

- The growing middle class in the country, as a result of economic opportunities that has been unlocked.
- An average of six (6) percent Motor Vehicle Licence Tax adjustment which came into effect from the 1 July 2014.

- Remarkably strong domestic sales trends experienced last year which could be attributed to new model launches, incentive packages, pre-emptive buying to avoid expected vehicle price increases, and relatively strong corporate purchases

**Sales of Capital Assets:**

Slow economic growth had impact and has resulted in fewer activities in the automobile industry.

Fines, Penalties and Forfeitures:

High visibility of law enforcement and increased road blocks resulted in compliance by motorists to pay their traffic fines and the successful prosecution of offenders hence a favourable variance.

**Financial Transactions in assets and liabilities:**

Due to capacity challenges the accounts referred to the State Attorney's office take long to be resolved and some debtors cannot be traced.

**Programme Expenditure**

The overall expenditure of the Department is at 99.3% and reflects an amount of R2.413 billion spent. An under-spending to the amount of R16 million is reflected in the AFS as a result of a saving in the Infrastructure Enhancement Allocation. During the first Adjustment Budget an amount of R236 million was approved. A total amount of R83 million was received from the Road Traffic Management Corporation, which is classified as aid assistance for the road safety projects.



Appropriation per 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
<b>Programme:</b>						
1. Administration	213 915	213 708	207	196 413	187 581	8 832
2. Civilian Oversight	9 004	8 316	688	8 354	7 951	403
3. Crime Prevention and Community Police Relations	15 511	15 536	-25	11 822	10 460	1 362
4. Transport Operations	256 147	254 069	2 078	248 480	244 797	3 683
5. Transport Regulations	352 639	358 782	-6 143	290 246	300 792	-10 546
6. Transport Infrastructure	1 581 682	1 562 361	19 321	1 748 417	1 438 633	309 784
<b>Programme sub total</b>	<b>2 428 898</b>	<b>2 412 773</b>	<b>16 125</b>	<b>2 503 732</b>	<b>2 190 213</b>	<b>313 519</b>
<b>TOTAL</b>	<b>2 428 898</b>	<b>2 412 773</b>	<b>16 125</b>	<b>2 503 732</b>	<b>2 190 213</b>	<b>313 519</b>
Reconciliation with Statement of Financial Performance						
Add:						
Departmental receipts	514 775			496 031		
Aid assistance	83 448			-		
Actual amounts per Statement of Financial Performance (Total Revenue)	3 027 121			2 999 763		
Add:						
Aid assistance						
Prior year unauthorised expenditure approved without funding		83 232			-	
Actual amounts per Statement of Financial Performance Expenditure		2 496 005			3 327	
					2 193 540	

### Virements/Roll overs

The roll-over funds received in the 2014/15 financial year amounted to R235.6 million that related to the maintenance of roads.

Programme	Sub-programme	Econ. Classification	Budget Rollover
Programme 6	Maintenance	Goods and Services	92 619 000
		Expenditure on capital assets	143 037 000
TOTAL			235 656 000

There were no virements after the second adjustment budget.

### Material Matters

Fruitless and wasteful expenditure of R956 thousand is still unresolved at at year end.

Irregular expenditure for the year amounts to R50 million. All cases are reflected on the Irregular expenditure register.

Unauthorised expenditure for the 2014/15 financial year amounts to R28 million and decreased with R14 million.

### Free Services

As part of its constitutional mandate the Department assists communities to investigate and resolve their complaints against the SAPS and/or individual members of the SAPS.

### Future Plans of the Department

The goal of the Department is to become the Department of choice, uphold high standard of compliance and attain a clean audit. The budget structure of the Department will change as from the new financial year, only five programmes will be reported on as Programme 2 and 3 have been merged into one programme called the Provincial Secretariat.

### Public Private Partnerships (PPP)

The N8 Corridor Rail Link PPP Project

The Transaction Advisors to conduct the feasibility for the project has been appointed.

The service level agreement has been developed.

### Harrismith Gateway Development

A formal objection against the EIA and construction of the De Beers Pass is being drafted and will be submitted to SANRAL and Acer consultants for consideration.

The PPP consultants have been appointed. The feasibility study is currently at Options Analysis stage awaiting the input of the Technical work stream. The Province has developed a Maluti-a-Phofung Industrial and Logistics Master Plan.

### Discontinued activities/activities to be discontinued

No functions or activities that were discontinued during the financial year under review.

### New/proposed activities

There are no new or proposed activities.

## Asset Management

All the Department's assets were captured in an excel asset register. The Department has put more focus on cleaning the LOGIS system so it can be used reliably in future.

The Department of Public Works transferred the immovable assets to the department which now have the custodianship of these assets. The Department has received custodianship of all the roads, quarries and bridges in the province for 2014/15 financial year.

## Events after the reporting date

On 1 April 2015 the function of the Learner Transport was transferred from the Department of Education to this Department. A budget of R40 million was transferred to cater for the operational costs.

## Exemptions and deviations received from the National Treasury

No exemptions and deviations received from National Treasury.

## Supply Chain Management

There were no unsolicited bid proposals during the financial year. SCM processes and systems are in place to prevent the irregular expenditure. A control sheet has been developed and implemented for all payments.

Adherence to SCM process and procedure is monitored closely and non-compliance would have lead to a disciplinary process. The 30 days payment compliance rate is at 97% according to the key control matrix evaluation.

## Gifts and Donations received in kind from non-related parties

There were no donations in kind received during the financial year under review.

## Other Material Information

The Department of Public Works provided office accommodation to the Department of Police, Roads and Transport free of charge. No value for this service can be attributed to this transaction.

The Provincial Treasury paid for the use of the transversal operating systems (BAS, PERSAL and LOGIS) on behalf of the Department to SITA. No value for this service can be attributed to this transaction.

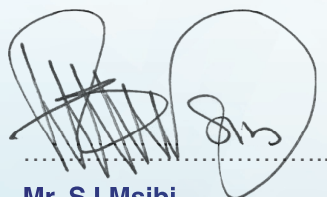
## Acknowledgement and Appreciation

I acknowledge the support and guidance provided by the MEC as the Executing Authority, the Executive Management and the Staff in general for sharing the vision of the Department and its intended goals. Appreciation is also due to the Provincial Treasury and the Office of the AGSA for continuous support provided.

The Department will at all material times strive for high excellence performance.

## Approval

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



**Mr. SJ Msibi**

**Accounting Officer**

**Department of Police, Roads and Transport**

**31 July 2015**

## 5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

I have prepared the performance information report for the 2014/2015 financial year in accordance with the identified and reporting framework. As a Department we developed systems and internal control measures to correct, monitor and evaluate performance in order to guarantee reasonable assurance to the integrity and reliability of performance information.

In my opinion, the report fairly reflects the performance information of the Department for the financial year ended 31 March 2015.



**Mr. SJ Msibi**

**Head of the Department**

**31 July 2015**





## 6. STRATEGIC OVERVIEW

### Vision

Contribute towards the creation of a prosperous Free State through the facilitation of the provision of sustainable community safety, mobility and road infrastructure.

### Mission

To realise the aforesaid vision we will:

- Monitor, oversee and assess police service delivery in the Free State.
- Promote integrated crime prevention initiatives.
- Ensure road safety and an integrated transport system and networks.

### Values

In the fulfilment and attainment of its Vision and Mission the Department intends to achieve performance excellence through adherence to the following operational values:

- Consultation
- Access
- Courtesy
- Openness and Transparency
- Information
- Redress
- Value for money
- Knowledge application (courage to learn, change and innovate)
- Teamwork (work together and building a spirit of cooperation)
- Equality, equity and fairness
- Mutual trust and respect
- Professionalism
- Honesty
- Loyalty
- Integrity
- Accountability

## 7. LEGISLATIVE AND OTHER MANDATES

### 7.1 Constitutional Mandates

Constitutional Mandate	Departments' compliance
Constitution of the Republic of South Africa (Act 108 of 1996).	Outlines the functions of the provincial government in relation to those of national and local government and also stipulates the concurrent functions between the various spheres of Government.

### 7.2 Legislative Mandates

Legislative Mandates	Relevance to the Department
<b>Administration specific legislation</b>	
The Public Finance Management Act, 1999 and Regulations.	States that the Accounting Officer of an institution must prepare a strategic plan that is consistent with the period covered by the Medium Term Expenditure Framework (MTEF) for approval by the relevant Executive Authority.
The Public Service Act, 1994 and Regulations.	Emphasises that the Department's strategic plan should include core objectives based on Constitutional and other legislative mandates, functional mandates as well as the Service Delivery Improvement Programme (SDIP).
Skills Development Act, 2003 (Act No 31 of 2003).	This Act amends the Skills Development Act, 1998 (Act No 97 of 1998) by providing anew for the budgeting process in relation to training.
Promotion of Administrative Justice Act, 2000.	Sets out clear rules and guidelines that the administrators must follow when making decisions.
Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000).	It provides for a legislative framework for the implementation of the preferential procurement policy.
State Information Technology Agency Act, 1998 (Act No 88 of 1998).	It regulates IT procurement and services in government sector.
Public Service Regulations 2001 (as amended).	Emphasises that the Department's strategic plan should include core objectives based on constitutional and other legislative mandates, functional mandates as well as the Service Delivery Improvement Programme.
<b>Police specific legislation</b>	
South African Police Services Act, 1995 (Act 68 of 1995).	This legislation outlines the functions of the national and provincial secretariats for safety and security.
South African Police Services Amendment Act, 1997 (Act 41 of 1997).	This legislation outlines the functions of the national and provincial secretariats for safety and security.
Civilian Secretariat for Police Service Act 2 of 2011.	The legislation outlines the functions and powers of the Civilian and Provincial Secretariat.
<b>Roads infrastructure specific legislation</b>	
The Expropriation Act, 1975 (Act No. 63 of 1975).	The act determines the expropriation process, as well as the calculation, determination and payment of compensation for any and all immovable properties acquired.

Legislative Mandates	Relevance to the Department
<b>Roads infrastructure specific legislation (Continued)</b>	
Advertising on Roads and the Ribbons Development Act 1940. (Act No. 1 of 1940).	Deals with the advertisement and development adjacent to the roads network.
The Roads Ordinance, 1968 (Ordinance No. 4 of 1968).	This Ordinance deals with the overarching management and implementation of roads related projects.
General Conditions of Contract (GCC), 2004.	A form of contract for use in contracts where the contractor undertakes construction on the basis of full designs issued by the employer.
Standard Specifications for Road and Bridge Works for State Road Authorities (COLTO).	Specifications governing the compilation of tender and contract documents for road and bridge construction.
The Minerals Act (Act 50 of 1998).	The Act deals with the prospecting, mining and disposal of minerals, as well as the opening, rehabilitation and closure of quarries.
The National Veld and Forest Fire Act (Act 101 of 1998).	The Act deals with the management of veld fires and assigns certain responsibilities to adjacent land owners.
<b>Transport specific legislation</b>	
The National Land Transport Act, 2009 (Act No. 22 of 2009).	The Act deals with the following related functions namely, planning, integration and regulation of the public transport.
The National Road Traffic Act, 1996 (Act No. 93 of 1996).	This Act deals mainly with the regulation of traffic function.
National land Transport Act 2009 (no 5 of 2009).	The Act deals with the following related functions namely, planning, integration and regulation of the public transport.
Road Traffic Act, 1989 (Act No. 29 of 1989).	Deals with the promotion of road safety.

### 7.3 Policy mandates

Policy Mandate	Key responsibility on the Department
White Paper on Training and Development in the Public Service, 1997.	It focuses on training and development of officials in Government Departments.
Human Resources Development Strategy.	It provides for skills development in the public service.
The 1996 National Crime Prevention Strategy.	It informs the Department on how best to approach the national crime issues and the dynamics relating thereto.
The 1998 White Paper on Safety and Security.	It informs the Department on how best to approach the national crime issues and the dynamics relating thereto.
National Passenger Road Plan.	To facilitate the understanding of the various designs corridor subsidy matrix will be established to validate the corridor criteria for subsidisation purposes.
National White Paper Transport Policy, 1996.	To ensure sustainable and dedicated funding for passenger transport infrastructure, operations and law enforcement.

Policy Mandate	Key responsibility on the Department
Moving South Africa.	Identifies four key strategic challenges impacting on urban passengers which required addressing through various strategies.
Rural Transport Strategy for South Africa, 2007.	Focus on delivering rural transport infrastructure and services in line with IDPs and ISRDP.
Public Transport Strategy, 2007.	Encompasses the key profits aimed at achieving the goal of mass public transit networks. These networks comprise an integrated package of Rail, Bus Rapid Transit, priority corridors and Taxi Recapitalization supported by extensive feeder and distribution network.
Extended Public Works Programme.	A national programme aimed at alleviating and reducing unemployment.
Road Infrastructure strategic framework for South Africa.	<ul style="list-style-type: none"> <li>For the improvement of integrated planning of the road network and the coordination with other transport modes.</li> <li>Defining an integrated and appropriately classified network to provide mobility and access to stimulate growth and mobility.</li> </ul>

#### 7.4 Relevant court rulings

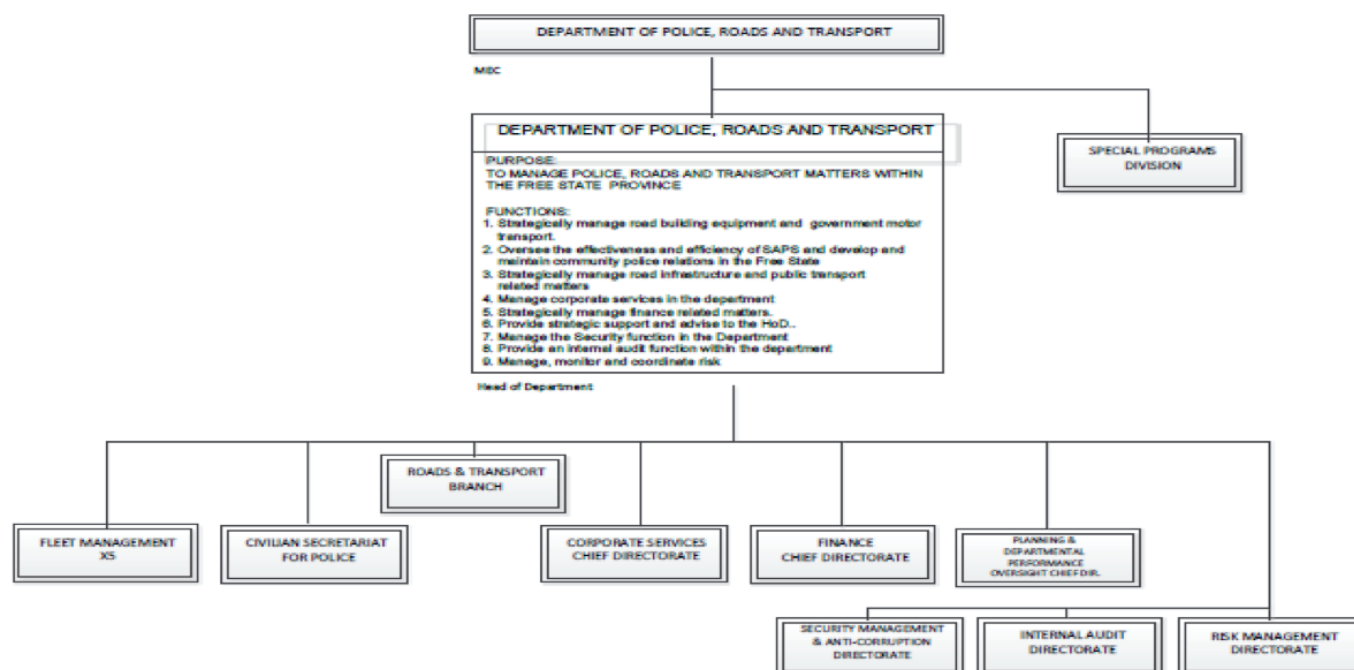
Name of the court case	Key responsibility on the Department
KwaZulu-Natal court judgment.	It confirms, inter alia, that the due date set by the Minister as per section 32 (2) of the NLTTA Act, 2000 (Act 22 of 2000) for operators to convert their permits to operating Licenses, is set aside.

The above documents empower the Department to:

- Monitor and evaluate the performance of the SAPS in the Province in order to ensure continuous improvements in its performance on crime prevention, law enforcement and to ensure quality service delivery.
- Co-ordinate and integrate government-led social crime prevention activities and the support of community initiatives.
- Co-ordinate the Criminal Justice System and the Criminal Justice Cluster within the Province to ensure sustained integration.
- Improve relations between communities and components of the Criminal Justice System.
- Improve communication and information in order to empower communities.
- Validate the corridor criteria for subsidisation purposes.
- Improve integrated planning of the road network and the coordination with other transport modes.
- Define an integrated and appropriately classified network to provide mobility and access to stimulate growth and mobility.
- Compile tender and contract documents for road and bridge construction.



## 8. ORGANISATIONAL STRUCTURE



## 9. ENTITIES REPORTING TO THE MEC

The following entities report to the MEC of the Department of Police, Roads and Transport:

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Fleet Management	Treasury Regulation 19.	Fleet management is a revenue generating entity	Render a vehicle and road building equipment rental service to some national departments, provincial departments and participating municipal authorities.



# PART B

PERFORMANCE  
INFORMATION





## 1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

### REPORT ON PRE-DETERMINED OBJECTIVES

Refer to paragraphs 12 to 21 on pages 136 to 137 of the Audit Report in Part E (Pages 136 to 137).

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1. SERVICE DELIVERY ENVIRONMENT

The following service delivery services were rendered directly to the public by the Department:

- 12 campaigns were held on community safety/road shows in order to provide public education to the community.
- 290 permits were converted to operating licenses
- 25 442 new vehicles were registered
- 74 809 used vehicles were registered
- 383 schools were provided with road safety education
- 162 road safety awareness campaigns were held

### 2.2. SERVICE DELIVERY IMPROVEMENT PLAN

The Department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

### Main services provided and standards

Main services	Beneficiaries	Potential customers	Standard of service	Actual achievement against standards
Monitor SAPS Performance	SAPS members.	Members of FS public.	The eight Batho Pele principles have to be honoured as a minimum.	<ul style="list-style-type: none"> <li>60 visits were conducted at police stations to monitor police compliance.</li> <li>50 assessment visits were also conducted at police stations.</li> </ul>
Initiate and co-ordinate social crime prevention programmes	Members of the FS public.	The FS Community.		Anti-gangsterism and anti-human trafficking campaigns were conducted in Virginia and Ladybrand.
Educate the public about crime prevention	Members of the FS public.	The FS Community.		12 community outreach programmes were conducted where numerous pamphlets on human trafficking, domestic violence were distributed.
Establish and maintain a safe and efficient Traffic and Transport management service in the FS province	Members of the FS public, road users.	The FS Community.		206 scholar patrols teams were trained on road safety and 51 awareness campaigns were conducted throughout the Province.
Promote sustainable road and transport infrastructure.	Members of FS public, road users.	The FS community.		To ensure a safe environmentally friendly and improved transport infrastructure 51 632 kilometres of gravel roads were bladed and 785 050 square meters of blacktop patching.



### Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Complaint received against the SAPS/ individuals.	SAPS members/ members of the FS public.	Members of FS public.	<p>In total 98 complaints were received and registered for further investigation. Of these:</p> <ul style="list-style-type: none"> <li>• 54% emanated from Motheo</li> <li>• 17% from Lejweleputswa</li> <li>• 15% from Thabo Mofutsanyana</li> <li>• 6% from Fezile Dabi</li> <li>• 8% from Xhariep.</li> </ul>
Dealing with testing centres' complaints and queries.	Members of FS public.	The FS community.	Suggestion Boxes/Complaint register books have been installed at all 64 stations for community members to submit their complaints and queries.

### Service delivery access strategy

Access Strategy	Actual achievements
Ensure compliance with legislative and policy framework.	<p>In total 98 complaints were received and registered for further investigation. Of these:</p> <ul style="list-style-type: none"> <li>• 54% emanated from Motheo</li> <li>• 17% from Lejweleputswa</li> <li>• 15% from Thabo Mofutsanyana</li> <li>• 6% from Fezile Dabi</li> <li>• 8% from Xhariep</li> </ul>
Effective and accessible complaint system.	36 reports submitted.

### Service information tool

Types of information tool		Actual achievements
Monitoring service delivery at Police stations and specialised units.		2 units were monitored and evaluated on the set norms and standards on specialised units.
Monitoring service delivery at Registering Authorities.		64 testing stations/registration authorities were visited and assessed on service delivery improvement.

### Complaints mechanism

Complaints Mechanism		Actual achievements
Complaints contact(s) established.		<ul style="list-style-type: none"> <li>Toll-free is operational and functional 24 hours a day (0800727374)</li> <li>Fax-to-email (0867716846) and email address (services@freetrans.gov.za) are established to monitor complaints and compliments from the public.</li> </ul>

## 2.3 ORGANISATIONAL ENVIRONMENT

Section 100 intervention and the implications

Section 100 (1) (a) is still a challenge to the Department. However improvement measure were implemented and did yield the results because the financial situation improved and all the progress and compliance reports were found to be satisfactory by the combined task team. In this regard, the Department is still awaiting the final report to be tabled with Cabinet to review the Section 100 intervention.

The following critical posts were filled during the year under review which impacted positively towards the realisation of the objectives of the Department:

- Head: Fleet Management
- Director: Security Management
- Director: Asset Management
- Director: Human Resources Management
- Director: Human Resource Development
- Director: Roads Construction
- Director: Road Asset Management Systems
- Director: Communications
- Director: Monitoring and Evaluation
- Director: Information Communication Technology

## 2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

Deliberations commenced for the development of the White Paper on Safety and Security which document guide the review of the SAPS Act. National workshops were also conducted towards the development of a national framework in dealing with complaints against the South African Police Services and towards the development of a national policy for community policing. The Department also finalised the alignment to the Civilian Secretariat for Police Services Act and started to implement new mandate of auditing and monitoring compliance of the SAPS in the implementation of the Domestic Violence Act.

## 3. STRATEGIC OUTCOME ORIENTED GOALS

The Department is contributing directly to the following outcomes as outlined in the Medium Term Strategic framework:

- Outcome 3: All people in South Africa are and feel safe
- Outcome 6: An efficient, competitive and responsive Economic infrastructure network

The following are some of the key strategic objectives of the Department which are aligned to the two mentioned outcomes:

- To monitor and evaluate the effectiveness and efficiency of service delivery by the SAPS.

Relating to this strategic objective, 60 police stations were monitored and evaluated on police compliance to set norms and standards.

The Department also started to monitor and audit 50 police stations to establish the level of compliance by the SAPS in the implementation of the Domestic Violence Act.

### Provincial Crime Prevention

The Provincial Crime Prevention Strategy (PCPS) that was launched on the 12th of July 2013 propagates an integrated approach to safety and security and requires coordination of crime prevention activities across a variety of stakeholders Departments and community bodies.

The PCPS, which is aligned to the NDP, is providing a framework to serve as an overarching planning instrument, articulating the development agenda and providing strategic direction for the Province with regard to the fight against crime.

To this effect, the Justice Crime Prevention and Security (JCPS) Cluster led by the Department has developed a Programme of Action (PoA) which is basically an implementation plan of the Strategy. The activities of the plan ranges from awareness campaigns aimed at discouraging crime, substance abuse, gangsterism, abuse of vulnerable groups, etc. to joint operations led by the SAPS and other law enforcement agencies.

Reporting on the implementation of the plan is done quarterly to the Executive Council and this has ensured that the strategy achieve its objective of coordinated collaborative approach to crime prevention and to this end, much has been achieved in the work around crime prevention and the 2013/14 Provincial crime statistics bear testimony to the success of the implementation of the strategy and collaborative approach to crime prevention.

### Ensure a culture of proper road traffic law compliance by road users

Activities of Traffic Policing include road blocks, traffic patrols, speed measuring, drunken driving monitoring and other related functions, the primary aim of which is to reduce traffic related accidents and fatalities. Fines issued during the reporting period:

- Roadworthiness – 49 166
- Moving Violations – 55 186

## 4. PERFORMANCE INFORMATION BY PROGRAMME

### 4.1 PROGRAMME 1: ADMINISTRATION

#### Purpose

The aim of the Administration Programme is to provide executive support to the Head of Department and all financial and non-financial systems within the Department.

#### SUBPROGRAMMES

The Programme consists of the following Sub-Programmes:

- Office of the MEC
- Office of the HOD
- Financial Management
- Corporate Support:
  - Subprogramme Strategic Planning, Monitoring and Evaluation
  - Subprogramme Internal Audit
  - Subprogramme Risk Management
  - Subprogramme Legal Services
  - Subprogramme Security Management



## Strategic objectives

### Strategic objective no. 1.1: Enhance the human capacity base of the Department.

Performance Indicators	Actual Achievement 2013/14	Annual Target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
<b>Human Resources Development</b>					
1.1.1 Number of officials who attended development courses.	New	300	294	6	Underachievement is as a result of shortage of staff in Human Resources Development unit due to resignations, thus affecting training coordination.
<b>Corporate Communication</b>					
1.1.2 Improve signage at licencing/testing or roads offices.	1	10	35 testing stations	-25	Batho Pele revitalisation plan was developed and implemented and signage designed and printed in-house.
1.1.3 Number of workshops/information sessions held on road safety, transport and crime prevention issues.	4	4	4	0	-
<b>Internal Audit</b>					
1.1.4 Number of audits conducted.	10	12	12	0	
<b>Risk Management</b>					
1.1.5 Number of risk awareness, identification, assessment and monitoring sessions.	48	55	55	0	

Performance Indicators		Actual Achieve- ment 2013/14	Annual Target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
<b>Strategic Planning, Monitoring and Evaluation</b>						
1.1.6	Number of visits re validation of inputs in relation to reports.	20	20	20	0	
<b>Supply Chain Management</b>						
1.1.7	Percentage payments made to suppliers/ contractors within 30 days from receipt of an invoice.	95.26%	100%	96.5%	3.5%	<ul style="list-style-type: none"> <li>Closing down of BAS</li> <li>Cash Flow Constraints and</li> <li>Late receivable of invoices.</li> <li>Expired tax clearance certificates</li> </ul>

#### Reasons for deviations

The programme achieved fairly well on most performance indicators. Only two performance indicators were not achieved due to non-compliance on issues of submitting invoice by suppliers/service providers and development of staff.

#### Strategy to overcome areas of under performance

Workshop should be conducted by the Department to service providers/suppliers on importance of compliance issues in terms of submitting invoices. The director Human Resources Development has been appointed in order to address the development of staff.

#### Linking performance with budget

In 2014/15 financial year the programme underspend by R 206 000.00.

## Subprogramme expenditure

Subprogramme 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
<b>1.1 Office of the MEC</b>						
Current Payment	8 286	9 022	(736)	9 639	11 960	(2 321)
Transfers and subsidies	-	-	-	426	471	(45)
Payment for capital assets	-	-	-	-	37	(37)
<b>1.2 Office of the HOD</b>						
Current Payment	4 524	4 855	(331)	6 451	4 543	1 908
Payment for capital assets	-	-	-	200	39	161
<b>1.3 Financial Management</b>						
Current Payment	70 664	71 062	(398)	59 448	61 511	(2 063)
Interest and rent on land	-	51	(51)	54	51	3
Transfers and sub-sidies	130	131	(1)	-	137	(137)
Payment for capital assets	48	45	3	10	-	10
<b>1.4 Corporate Services</b>						
Current Payment	57 581	57 263	318	56 705	55 379	1 326
Transfers and subsidies	30	46	(16)	-	140	(140)
Payment for capital assets	4 993	5 704	(711)	8 598	4 818	3 780
<b>1.5 Internal Audit</b>						
Current Payment	4 579	5 277	(698)	4 641	5 074	(433)
Payment for capital assets	-	-	-	-	-	-
<b>1.6 Legal Service</b>						
Current Payment	2 863	3 330	(467)	2 395	3 112	(717)
Payment for capital assets	-	-	-	162	107	55
<b>1.7 Strategic Planning &amp; Research Development</b>						
Current Payment	6 582	4 558	2 024	8 172	5 466	2 706

Subprogramme 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
Transfers and sub-sidies	-	-	-	-	25	(25)
<b>1.8 Security Management</b>						
Current Payment	51 142	50 157	985	34 055	33 582	473
Transfers and sub-sidies	175	172	3	-	5	(5)
Payment for capital assets	30	28	2	1 500	-	1 500
<b>1.9 Risk Management</b>						
Current Payment	2 288	2 059	229	3 991	1 155	2 836
Payment for capital assets	-	-	-	20	19	1
<b>TOTAL</b>	<b>213 915</b>	<b>213 708</b>	<b>207</b>	<b>196 413</b>	<b>187 581</b>	<b>8 832</b>



### Programme 1 per economic classification

Programme 1 Per economic classification	2014/2015			2013/2014		
	Final Appropriation	Actual Expenditure	(Over)/Un- der Expen- diture	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
<b>CURRENT PAYMENT</b>						
Compensation of employees	99 626	100 356	(730)	95 562	95 040	522
Goods and services	108 883	107 175	1 708	89 881	86 692	3 189
Interest & rent on land		51	(51)	54	51	3
<b>TRANSFERS AND SUBSIDIES</b>						
Departmental agencies and accounts	175	172	3	-	-	-
Households	160	177	(17)	426	778	(352)
<b>PAYMENT FOR CAPITAL ASSETS</b>						
Building and other fixed structures	-	-	-	-	-	-
Machinery and equipment	5 071	5 778	(707)	10 490	5 020	5 470
<b>PAYMENT FOR FINANCIAL ASSETS</b>						
<b>TOTAL</b>	<b>213 915</b>	<b>213 709</b>	<b>207</b>	<b>196 413</b>	<b>187 581</b>	<b>8 832</b>

## 4.2 PROGRAMME 2: CIVILIAN OVERSIGHT

### Purpose

The aim of the Civilian Oversight Programme is to oversee police performance and conduct in relation to service delivery in the province.

### SUBPROGRAMMES

The Programme consists of the following Subprogrammes:

- Monitoring and Evaluation
- Complaints Registry and Investigations and
- Policy and Research

### Strategic objectives

- 2.1 To monitor and evaluate the effectiveness and efficiency of service delivery by the SAPS.
- 2.2 To receive, register, classify and investigate all complaints against the SAPS.
- 2.3 Conduct research into any policing interventions with regards to civilian oversight.

### Subprogramme: Monitoring and Evaluation

### Strategic Objectives, Performance Indicators and Performance Targets:

*Strategic Objective 2.1 To monitor and evaluate the effectiveness and efficiency of service delivery by the SAPS.*

Strategic Objectives	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from planned target
Number of police stations monitored.	60	60	60	0
Number of police stations evaluated.	60	50	50	0

### Performance indicators

Performance Indicators	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target
2.1.1 Number of police stations monitored (per district) on:	13	13	13	0
police compliance to set norms and standards management performance	10	10	10	0
	12	12	12	0
	14	14	14	0
	11	11	11	0

Performance Indicators		Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target
2.1.2	Number of police stations evaluated on: <ul style="list-style-type: none"> <li>Police compliance to set norms and standards</li> <li>Management performance</li> </ul>	13	10	10	0
		10	8	8	0
		12	12	12	0
		14	12	12	0
		11	8	8	0
2.1.3	Number of units monitored and evaluated on the set norms and standards for specialised units.	2	2	2	0

### Customised Sector Targets

#### Quarterly Indicators

Performance Indicators	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target
Number of police stations monitored.	60	60	60	0
(Total number in the province).				
Number of police stations monitoring reports.	New	4	4	0

#### Annual Indicators

Performance Indicators	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target
Annual report on the implementation of National Monitoring Tool (NMT) recommendations.	New	1	1	0
Number of Monitoring and Evaluation reports on special projects.	2	2	2	0

## Subprogramme Complaints Registry and Investigations

**Strategic Objective 2.2: To register and investigate all service delivery complaints against the SAPS.**

Strategic objectives	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15
% of complaints received, registered, classified and investigated to the satisfaction of the complainant.	100%	100%	100%

### Performance Indicators

Performance Indicators	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15
2.2.1 Number of reports reflecting the number and status of complaints	12	12	12
2.2.2 Number of reports on the nature of complaints	4	4	4
2.2.3 Number of reports regarding the investigation of complaints	36	36	36

### Customised Sector Targets

#### Quarterly Indicators

Performance Indicators	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15
Number of service delivery complaints management reports.	New	20	20



## Subprogramme Policy and Research

### Strategic Objective 2.3: Conduct research into any policing interventions with regards to civilian oversight.

#### Annual Indicator

Performance Indicator	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
Number of research reports on special projects.	0	4	0	4	The structure is being configured to ensure appointment of appropriately skilled personnel in the Research component.

#### Reasons for deviations

The programme is doing fairly well achieving 95% of the set targets; the area of concern being on Policy and Research.

#### Strategy to overcome areas of under performance

The Department is in the process of filling the vacancies in research unit in order to have an effective research component.

#### Linking performance with budget

The programme is doing fairly well towards the achievement of the set targets. In the 2014/15 financial year the programme underspent by R688 000.00.

## Subprogramme expenditure

Subprogramme 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
<b>2.1 COMPLAINTS AND REGISTRY</b>						
Current payment	5 144	4 158	986	4 301	4 220	81
Transfers and subsidies	60	60	0	0	0	0
Payment for capital assets	0	0	0	0	0	0
Payment for financial assets	0	0	0	0	0	0
<b>2.2 MONITORING AND EVALUATION</b>						
Current Payment	3 800	4 098	(298)	4 053	3 731	322
Transfers and subsidies	0	0	0	0	0	0
<b>TOTAL</b>	<b>9 004</b>	<b>8 316</b>	<b>688</b>	<b>8 354</b>	<b>7 951</b>	<b>403</b>

## Programme 2 per economic classification

Programme 2 Per economic classification	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
<b>CURRENT PAYMENT</b>						
Compensation of employees	8 374	7 779	596	7 423	7 402	21
Goods and services	570	478	92	931	549	382
<b>TRANSFERS AND SUBSIDIES</b>						
Public corporations and private enterprise	0	0	0	0	0	0
Households	60	60	0	0	0	0
<b>PAYMENT FOR CAPITAL ASSET</b>						
Building and other fixed structures	0	0	0	0	0	0
Machinery and equipment	0	0	0	0	0	0
<b>PAYMENT FOR FINANCIAL ASSETS</b>						
<b>TOTAL</b>	<b>9 004</b>	<b>8 316</b>	<b>688</b>	<b>8 354</b>	<b>7 951</b>	<b>403</b>

### 4.3 PROGRAMME 3: CRIME PREVENTION AND COMMUNITY POLICE RELATIONS

#### Purpose

The aim of Crime Prevention and Community Policing Liaison Programme is to mobilize communities against crime and to ensure community participation in crime prevention and community safety, including social crimes and promotion of safety.

#### SUBPROGRAMMES

The Programme consists of the following Subprogrammes:

- Social Crime Prevention;
- Community Policing and Liaison; and
- Promotion of Safety

#### STRATEGIC OBJECTIVES

3.1 Develop and execute social crime prevention programmes at provincial and local level.

3.2 Monitor, support and promote Victim Empowerment Programme (VEP) at police station level.

3.3 Oversee the establishment and functioning of community policing structures in the province.

3.4 Enhance and capacitate community policing structures to improve community-police relations and cooperation.

3.5 Promote Public awareness on general safety, legal and human rights within the framework of the Criminal Justice System.

#### Subprogramme: Social Crime Prevention

#### Strategic Objectives, Performance Indicators, and Performance Targets:

**Strategic Objective 3.1: Develop and execute social crime prevention programmes at provincial and local level.**

Strategic objectives	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Deviation from planned target
Number of social crime prevention programmes/projects addressing root causes of crime in the province.	3	4	6	-2	The Department convened Izimbizo ZaMadoda at Kroonstad and Odendaalsrus to address the concern that most heinous crimes are committed by men hence the over achievement.

## Performance indicators

Performance Indicators		Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
3.1.1	Number of social crime prevention programmes/projects addressing root causes of crime in the province.	0	4	6	-2	The Department convened Izimbizo ZaMadoda at Kroonstad and Odendaalsrus to address the concern that most heinous crimes are committed by men hence the over achievement.
3.1.2	Number of School Safety programmes implemented at identified high risk schools.	0	10	10	0	-
3.1.3	Number of crime prevention Campaigns commemorating National and international Focus days/months (Youth, Women's, 16 days Campaign and Safety Month).	-1	4	3	1	The project at Edenburg could not be conducted since funds were re-prioritized to finalize outstanding JCPS Programme of Action (Virginia: Anti-gangsterism campaign and Ladybrand: Anti-human trafficking campaign).
Number of rural safety and cross-border crime prevention initiatives/projects						
3.1.4.	Human Trafficking.	2	2	3	-1	The extra activity coincided with a joint project conducted with the Kroonstad Policing Cluster.
3.1.5	Number of rural safety and stock-theft programmes/projects (cross-border and inland).	4	4	4	0	-
3.1.6	Number of community outreach Programmes conducted (public meetings; road shows; etc.).	20	10	12	-2	The additional outreach programmes were conducted at Thaba Patswa (Tweespruit) and Dewetsdorp because of challenges in those areas.



### Subprogramme Community Policing and Liaison

#### Strategic Objective 3.2: Oversee the establishment and functioning of Community Policing structures in the province.

Strategic objectives	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target
Number of Community Police Structures assessed and functional.	129	117	12	Attempts to secure schedule of Cluster board meetings from the SAPS were unsuccessful.

#### Performance indicators

Performance Indicators	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
3.2.1 Number of Community Policing structures assessed on functionality.	110 CPFs	110 CPFs	117	-7	Over-achieving because numerous follow-up visits were done for mobilising the re-election process which seeks to revive non-functional CPFs. Target amount of visits exceeded.
	18 Cluster Boards	18 Cluster Boards	6	12	Attempts to secure schedule of Cluster board meetings from the SAPS were unsuccessful, subsequently meetings did not take place resulting in shortfall from the set target.
	1 Prov. Board	1 Prov. Board	1	0	
3.2.2 Number of established and functional sector policing forums in the Province.	368	330	318	12	In some Police Stations the Sectors that were established have since collapsed.
3.2.3 Number of community safety forums established within districts.	8	8	0	8	Based on challenges in securing Council resolutions from Municipalities, a presentation was made on CSFs policy to the Municipal Manager's Forum on 6 March 2015 as a last resort where municipal managers agreed to prioritize the establishment and roll-out of CSFs during the new financial year.

**Strategic Objective 3.3: Enhance and capacitate community policing structures to improve community police relations and cooperation.**

Performance Indicators	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
3.3.1 Number of training workshops for CPF executive members per district.	8	3	3	0	-
3.3.2 Number of Community Policing Projects funded.	8	10	4	6	Due to re-prioritisation of funds to JCPS Projects in Virginia and Ladybrand, only 4 CPF Projects could be funded.
3.3.3 Number of induction sessions for Community Safety Forum members.	0	8	0	8	Since CSF's establishment is dependent on Council Resolutions, none of the Municipalities have reached a decision on the issue so far. Therefore no CSFs workshops were conducted.

**Subprogramme Promotion of Safety**

**Strategic Objective 3.4: Monitor and evaluate compliance of SAPS with Domestic Violence Act (DVA) in the Province.**

Strategic objectives	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target
Number of police stations monitored and evaluated on implementation and compliance to the DVA implementation.	50	20	20	0
Number of public awareness campaigns conducted on the DVA.	20	20	20	0
Number of police stations monitored and evaluated on the implementation of the Victim Empowerment Programme (VEP).	110	72	72	0

## Performance indicators

Performance Indicators		Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
3.4.1	Motho (Mangaung Metro)	11	10	10	0	
	Number of police stations monitored and evaluated on Domestic Violence Act implementation.	8	8	10	-2	Overachievement is due to a previous visit which was postponed on request of station management at Smithfield and another visit was conducted to Rouxville to make up for the visit to Vierfontein which is a police station serving mostly farms. The stations could not provide any records related to domestic violence.
		12	12	11	1	Heuningspruit referred to above was replaced by Rouxville in Xhariep which is a bigger Police Station with more cases reported.
		13	12	13	-1	Over-achievement because of a joint compliance visit conducted with Civilian Secretariat for Police Service (National) at Fouriesburg Police Station.
		8	8	8	0	-
3.4.2	Number of public awareness campaigns conducted on the DVA.	20	20	20	0	-
3.4.3	Number of police stations monitored and evaluated on the implementation of Victim Empowerment Programme.	110	72	72	0	-

## Customised Sector Targets

### Quarterly Indicators

Performance Indicators	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
Number of CSFs assessed.	0	4	0	4	No assessments could be conducted since no CSFs have been established.
Number of functional CPFs.	110	110	117	-7	Over-achieving because numerous follow-up visits were done for mobilising the re-election process which seeks to revive non-functional CPFs. Target amount of visits exceeded.
Number of social crime prevention programmes implemented.	15	14	16	-2	The over achievement was caused by Izimbizo Zamadoda that were conducted.
Number of compliance complaints of DVA reports (Audit/Assessment).	New	4	4	0	-

### Reasons for deviations

The programme underachieved on eight of their performance indicators as a result of budget constraints in some instances. The programme is highly dependent on external collaboration and is it in some instances problematic to ensure commitment.

### Strategy to overcome areas of under performance

The programme will plan within budget parameters in order to overcome the challenge of budget constraints, as well as being proactive on indicators which are beyond our control i.e. Establishment of Community Safety Forums (CSFs).

### Linking performance with budget

The programme is doing well in achieving their targets and it overspent by R25 000.00.



## Subprogramme Expenditure

Subprogramme 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
<b>3.1 SOCIAL CRIME PREVENTION</b>						
Current payment	9 819	9 757	62	5 519	5 555	(36)
Transfers and subsidies	60	0	60	81	21	60
Payment for capital assets	0	0	0	30	26	4
Payment for financial assets	0	0	0	0	0	0
<b>3.2 COMMUNITY POLICE</b>						
Current Payment	4 315	3 631	684	4 432	3 410	1 022
Transfers and subsidies	0	0	0	82	33	49
Payment for capital assets	0	0	0	0	0	0
<b>3.3 PROMOTION OF SAFETY</b>						
Current Payment	1 317	2 148	(831)	1 658	1 415	243
Transfers and subsidies	0	0	0	-	0	0
Payment for capital assets	0	0	0	20	0	20
Payment for financial assets	0	0	0	0	0	0
<b>TOTAL</b>	<b>15 511</b>	<b>15 536</b>	<b>(25)</b>	<b>11 822</b>	<b>10 460</b>	<b>1 362</b>

### Programme 3 per economic classification

Programme 3 Per economic classification	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
<b>CURRENT PAYMENT</b>						
Compensation of employees	6 756	7 291	(535)	6 492	6 486	6
Goods and services	8 695	8 245	450	5 117	3 894	1 223
<b>TRANSFERS AND SUBSIDIES</b>						
Public corporations and private enterprise	0	0	0	0	0	0
Households	60		60	163	54	109
<b>PAYMENT FOR CAPITAL ASSETS</b>						
Building and other fixed structures	0	0	0	0	0	0
Machinery and equipment	0	0	0	50	26	24
<b>PAYMENT FOR FINANCIAL ASSETS</b>						
<b>TOTAL</b>	<b>15 511</b>	<b>15 536</b>	<b>(25)</b>	<b>11 822</b>	<b>10 460</b>	<b>1 362</b>

## 4.4 Programme 4: Transport Operations

### Purpose

To plan, regulate and facilitate the provision of public transport services and infrastructure, through own provincial resources and through co-operation with national and local authorities, as well as the private sector in order to enhance the mobility of all communities particularly those currently without or with limited access

### SUBPROGRAMMES

The Programme consists of the following Subprogrammes:

- Programme Support
- Public Transport Services
- Transport Safety and Compliance
- Transport Systems
- Infrastructure Operations

### Strategic Objectives

- 4.1 Promote the delivery of a well coordinated, safe and affordable public transport service.
- 4.2 Conduct road safety programs through education and training for Traffic Law Enforcers, Transport Operators and the public.
- 4.3 Broaden the accessibility of freight transportation.

## Subprogramme: Public Transport Services and Systems

### Strategic Objectives, Performance Indicators, and Performance Targets:

**Strategic Objective 4.1: Promote the delivery of a well co-coordinated, safe and affordable public transport service.**

Strategic objectives	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target
Development of Integrated Public Transport Network (IPTN's) for Fezile Dabi and Lejweleputswa Districts.	New	2	2	0
Number of Public transport subsidy provided.	3	3	3	0

### Performance indicators

Performance indicator	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target
4.1.1 Development of Integrated Public Transport Network (IPTN's) for Fezile Dabi and Lejweleputswa Districts.	New	2	2	0
4.1.2 Number of Public transport subsidy provided in the province.	3	3	3	0
4.1.3 Monitor Contractual compliance of SMF and Transport Operators.	New	12	12	0
4.1.4 Issuing of bicycles to rural learners.	0	100	100	0

## Customised Sector Targets

Performance Indicators	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
Number of vehicles subsidised.	New	3 084	3 084	0	
Number of routes subsidised.	2 808	2 808	2 808	0	
Number of vehicle kilometres subsidised.	11 238 808.2	12 463 274.8	11 933 597.2	529 677.6	Decrease is due to cancellation or re-scheduling of services.
Kilometres operated per vehicle.	47 730.7	44 010	46 474.1	-2 464.1	Increase is due to special hire and additional trips.
Passengers per vehicle.	22 043.5	53 973	67 505.5	-13 532.5	Increase is due to penalties incurred on trips operated more than 30 minutes late.
Passengers per trip operated.	815	807.6	792.4107	14.9	<ul style="list-style-type: none"> <li>Decrease is due to a drop in passenger demand.</li> <li>Target increased by 9.88% from the previous year's target of 735 due to increase in both subsidized and unsubsidized passengers.</li> </ul>
Staff per vehicle.	1	2	2	0	-
Number of subsidised passengers.	15 996 599	14 497 768	26 172 856	-11 675 088	Target increased by 14% was based on demand on existing passenger services in the new areas and increase of busses.
Number of unsubsidised passengers.	4 656 662	3 549 436	3 500 049	49 387	Decrease is due to a drop in passenger demand during peak season.
Number of trips subsidised.	236 139	212 272	262 275	-50 003	Increase is due to passenger demand.



### Sub-Programme: Transport Safety and Compliance

#### Strategic Objectives, Performance Indicators, and Performance Targets:

##### Strategic Objective 4.2: Conduct road safety programs through education and training

Strategic objectives	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
Number of road safety awareness interventions conducted.	163	140	162	-22	The target was overachieved due to the intensified campaigns during the Festive Season.

#### Performance indicators

Performance Indicators	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
4.2.1 Number of existing staff provided with refresher courses	469	500	393	107	Underachievement is due to training of newly recruited Traffic trainees.
4.2.2 Number scholar patrol teams trained and retrained.	217	160	206	-46	The target was increased by 14.29% of the previous year's target of 140 in order to accommodate the demand from the Department of Education for the training and retraining of scholar patrols.
4.2.3 Number of interactions with stakeholders and role players	64	24	51	-27	Target increased by 50% from the previous year's target of 16 due to increased cooperation of stakeholders on the importance of roads safety education.
4.2.4 Number of learners utilising junior traffic training centres.	2 277	2 000	3 017	-1 017	The target was increased by 33.33% in order to accommodate more learners through practical road safety experience utilizing junior traffic training centres.

### Customised Sector Targets

Performance Indicators	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
Number of road safety awareness interventions conducted.	163	140	162	-22	The target was overachieved due to the intensified campaigns during the festive season.
Number of schools involved in road safety education programme.	586	500	383	117	The number of schools requires vehicles to be achieved. Therefore, the shortage of vehicles and staff due to impounded government cars culminated into the under achievement of the target.

### Subprogramme: Infrastructure Operations

#### Strategic objectives

#### *Strategic Objective 4.3: Broaden the accessibility of freight transportation.*

Strategic objectives	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
Percentage of Harrismith Gateway Development phase completed.	87.5% planning	100% planning	90% planning	10% planning	The delay was due to processes involved in obtaining approval for the contract extension of the Service Provider. However the project is envisaged to complete 2019/20 financial year.

### Performance indicators

Performance Indicator	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
4.3.1 Percentage of Harrismith Gateway Development phase completed.	87.5% planning	100% planning	90% planning	10% planning	The delay was due to processes involved in obtaining approval for the contract extension of the Service Provider. However, the project is envisaged to complete 2019/20 financial year.
4.3.2 Re-establishment of passenger rail on the N8 corridor.	New	20% planning	0	20% planning	Appointment of PPP service providers will only be concluded during the 2015/16 financial year.

### Reasons for deviations

The programme underachieved on seven of their performance indicators. This is due to the delay in approval of contract extension of Service Provider.

### Strategy to overcome areas of under performance

The planning will be enhanced with emphasis to ensure achievements of the target, since the planning phase of Harrismith Gateway is almost complete and an Environmental Impact Analysis is underway for the rail revitalisation project. Progress will be monitored and evaluated on a quarterly basis in order to circumvent any further delays.

### Linking performance with budget

The programme is doing well towards the achievements of the targets. However, it has underspent by R2 078 000.00.

## Subprogramme Expenditure

Details per subprogramme	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
<b>4.1 PROGRAMME SUPPORT OPERATIONS</b>						
Current Payments	1 784	1 616	168	1 694	1 780	(86)
Transfers and subsidies	0	0	0	2	1	1
Payments for capital assets	0	0	0	0	0	0
<b>4.2 PUBLIC TRANSPORT SERVICES</b>						
Current Payments	11 646	10 057	1 589	16 497	17 197	(700)
Transfers and subsidies	215 900	215 774	126	209 402	209 402	0
Payment for capital assets	0	0	0	0	0	0
<b>4.3 TRANSPORT SAFETY AND COMPLIANCE</b>						
Current Payments	19 171	22 487	(3 316)	14 318	16 074	(1 756)
Transfers and subsidies	40	436	(396)	1	1	0
Payment for capital assets	0	0	0	0	0	0
<b>4.4 INFRASTRUCTURE OPERATIONS</b>						
Current Payments	2 670	390	2 280	2 506	302	2 204
Transfers and subsidies	0	0	0	0	0	0
Payment for capital assets	20	0	20	60	41	19
<b>4.5 TRANSPORT SYSTEM</b>						
Current Payments	4 916	3 013	1 903	4 000	0	4 000
Payment for capital assets	0	0	0	0	0	0
<b>TOTAL</b>	<b>256 147</b>	<b>254 069</b>	<b>2 078</b>	<b>248 480</b>	<b>244 798</b>	<b>3 682</b>



## Programme 4 per economic classification

Programme 4 Per Economic Classification	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
<b>CURRENT PAYMENTS</b>						
Compensation of employees	27 475	28 045	(570)	21 578	21 573	5
Goods and Services	12 712	9 519	3 193	17 437	13 779	3 658
<b>TRANSFERS AND SUBSIDIES</b>						
Departmental agencies and accounts	0	0	0	0	0	0
Public corporations and private enterprises	215 900	215 774	126	209 382	209 382	0
Households	40	436	(396)	0	0	0
Gifts and donations	0	0	0	23	22	1
<b>PAYMENT FOR CAPITAL ASSETS</b>						
Building and other fixed structures	0	0	0	0	0	0
Machinery and equipment	20	-	20	60	41	19
<b>TOTAL</b>	<b>256 147</b>	<b>254 069</b>	<b>2 078</b>	<b>248 480</b>	<b>244 797</b>	<b>3 683</b>

## 4.5 Programme 5: Transport Regulation

### Purpose

The aim of this programme is to establish, manage, and maintain a safe and efficient road traffic system by providing high quality proactive road traffic training, education, and Effective Road traffic law enforcement and to ensure that all privately and government owned vehicles registered in the province are licensed each year and that all drivers are appropriately authorised to drive their vehicles.

### SUBPROGRAMMES

The programme consists of the following Subprogrammes:

- Programme Support Office
- Transport Administration and Licensing
- Operator Licence and Permits
- Law Enforcement

### Strategic Objectives

5.1. Accelerate licensing services and eliminate fraud and corruption within registering authorities.

5.2 Empower taxi operators in the public transport industry to perform their functions effectively.

5.3 Ensure a culture of proper road traffic law compliance by road users.

### Subprogramme: Transport Administration and Licensing

#### Strategic Objectives, Performance Indicators and Performance Targets

#### *Strategic Objective 5.1: Accelerate licensing service delivery and eliminate fraud and corruption within registering authorities*

Strategic objectives	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Comment on deviations
Number of customer satisfaction surveys conducted.	New	2	2	0	
Zero tolerance on fraud and corruption.	5	1	5	-4	Monitoring of sensitive transactions made it possible for anomalies to be uncovered.

## Performance indicators

Performance Indicator		Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
5.1.1	Number of customer satisfaction surveys conducted.	New	2	2	0	
5.1.2	Number of fraud and corruption cases reported.	5	1	5	-4	Monitoring of sensitive transactions made it possible for anomalies to be uncovered.
5.1.3	Increased revenue collection.	R 502 322 781.59	R503 354 000.00	R586 096 792.00	-R82 742 792.00	<ul style="list-style-type: none"> <li>• Increase of license tariffs.</li> <li>• People are buying more cars.</li> <li>• People are obtaining more driver's license.</li> <li>• Roadworthy tests in anticipation of Easter holidays.</li> </ul>
5.1.4	Collected outstanding eNATIS debt as at 31 March 2015.	R38 303 690	R40 000 000	R42 999 357.00	-R2 999 357.00	12 months installments was reduced to 5 months; therefore customers pay more amount for reduced number of installments.

### Subprogramme: Operator Licence and Permits

#### Measurable Objectives, Performance Indicators, and Performance Targets:

#### Strategic Objective 5.2: Empower taxi operators in the public transport industry to perform their functions effectively.

Strategic objectives	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target
Number of training sessions conducted.	20	36	33	3

#### Performance indicators

Performance Indicator	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
5.2.1 Number of training sessions conducted.	20	36	33	3	The planned trainings that were scheduled to take place on 25-27 March 2015 was cancelled due to the protest march by the Manyatseng Taxi Association operators.
5.2.2 Number of visits conducted to taxi associations to monitor compliance.	95	196	179	17	Failure of taxi associations to honour scheduled meetings.
5.2.3 Number of visits conducted to learner transport associations to monitor compliance.	32	68	59	9	Failure of learner transport associations to honour scheduled meetings.
5.2.4 Number of visits conducted to metered taxi associations to monitor compliance.	2	4	4	0	



### Subprogrammes: Law Enforcement

#### Measurable Objectives, Performance Indicators, and Performance Targets:

#### Strategic Objective 5.3: Ensure a culture of proper road traffic law compliance by road users

#### Performance indicators

Performance Indicator	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
5.3.1 Number of vehicles stopped and checked for driver and vehicle fitness.	829 823	670 000	635 737	34 263	Since the intensification of testing duties in the Free State Province, more officers were deployed to their offices to deal with testing duties, which lead to the decline of the target reached on number of vehicles stopped.

#### Customised Sector Targets

Performance Indicator	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
Number of speed operations conducted.	3 413	7 200	7 336	-136	The purchased 60 lasers are fully utilized & every Friday there is a speed corridor.
Number of K78 roadblocks held.	380	360	361	-1	The monthly plan strictly adhered to and more visible policing.
Number of hours weighbridges are operated.	4 126	3 240	3 580.5	-340.5	Senekal and Kroonstad weighbridges were fully operational during the financial year. Bothaville's scale was vandalised and therefore not operational.
Number of roadside vehicles checkpoint operations.	26 317	40 000	44 872	-4 872	More officers deployed on the road due to less testing duties.

## Strategic Objective 5.4: Ensure Compliance with regard to testing stations / centres, public transport operations and enforce payment of traffic notices

Performance Indicator	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
5.4.1 Number of traffic fines defaulters contacted by tracing unit.	1 100	1 400	1 400	0	
5.4.2 Number of traffic warrants executed by tracing unit.	1 121	1 400	1 414	-14	Defaulters from outside the Free State province who were contacted previously only managed to make payments during this quarter.
5.4.3 Number of GG vehicles screened (Government fleet).	541	1 200	1 027	173	The officers were deployed to various problematic areas where taxi violence took place in the province, more especially in the vicinity of the borders.

### Customised Sector Targets

Performance Indicator	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target
Number of compliance inspections conducted at each testing station per year by inspectorate.	New	2	2	0

### Reasons for deviations

The programme underachieved on five of their performance indicators and the reason for this is due to failure of associations to honour scheduled meetings. More emphasis was put on conducting testing duties to address issues of backlog hence the decline on number of vehicles stopped.

### Strategy to overcome areas of under performance

The programme will improve on planning to ensure the achievement of the set targets. To improve communication between the Department and its stakeholders. Furthermore, the Department has appointed 154 trainees that are currently undergoing training. Once training is complete the trainees will complement the existing staff, enhance visibility on the roads and perform other law enforcement activities.

### Linking performance with budget

The programme did fairly well in achieving their targets with over-expenditure of R5 839 000.00.

## Subprogramme Expenditure

	2014/2015			2013/2014		
Details per sub-programme	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
<b>5.1 PROGRAMME SUPPORT REGULATION</b>						
Current Payments	20 690	21 004	(314)	10 460	14 209	(3 749)
Transfers and subsidies	0	613	(613)	0	0	0
Payments for capital assets	0	0	0	0	0	0
<b>5.2 LAW ENFORCEMENT</b>						
Current Payments	202 073	194 665	7 408	177 009	184 512	(7 503)
Transfers and subsidies	153	1 317	(1 164)	995	1 115	(120)
Payment for capital assets	13 523	6 940	6 583	0	0	0
<b>5.3 TRANSPORT ADMINISTRATION AND LICENSING</b>						
Current Payments	93 542	85 541	8 001	86 122	83 578	2 544
Transfers and subsidies	4 042	3 975	67	223	81	142
Payment for capital assets	0	11 231	(11 231)	109	46	63
<b>5.4 OPERATOR LICENCE AND PERMITS</b>						
Current Payments	13 616	12 211	1 405	10 328	12 237	(1 909)
Transfers and subsidies	5 000	5 027	(27)	5 000	5 014	(14)
Payment for capital assets	0	0	0	0	0	0
<b>TOTAL</b>	<b>352 639</b>	<b>348 225</b>	<b>4 414</b>	<b>290 246</b>	<b>300 792</b>	<b>(10 546)</b>

## Programme 5 per economic classification

Programme 5 Per Economic Classification	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
<b>CURRENT PAYMENTS</b>						
Compensation of employees	240 993	241 946	(953)	229 819	226 675	3 144
Goods and Services	88 928	71 474	17 454	54 085	67 847	(13 762)
Interest and rent on land	0	0	0	15	14	1
<b>TRANSFERS AND SUBSIDIES</b>						
Departmental agencies and accounts	8 800	8 800	0	5 000	5 000	0
Public corporations and private enterprises	0	0	0	0	0	0
Households	395	2 132	(1737)	1 218	1 210	8
<b>PAYMENT FOR CAPITAL ASSETS</b>						
Building and other fixed structures	0	16 933	(16 933)	0	0	0
Machinery and equipment	13 523	6 940	6 583	109	46	63
<b>TOTAL</b>	<b>352 639</b>	<b>348 225</b>	<b>4 414</b>	<b>290 246</b>	<b>300 792</b>	<b>(10 546)</b>



## 4.6 Programme 6: Transport Infrastructure

### Purpose

To promote accessibility, mobility and safe integrated road infrastructure network that is environmentally sensitive and stimulate socio-economic growth. In addition to the purpose of the programme, the province should be well served by a road network with no community, or areas with economic potential without access to the road network.

### SUBPROGRAMMES

The programme consists of the following Subprogrammes:

- Programme Support
- Infrastructure Planning
- Design
- Construction
- Maintenance

### STRATEGIC OBJECTIVES

- 6.1 Ensure safe, environmentally friendly and improved transport infrastructure through proper network management, planning and design
- 6.2 Enhance improved service delivery capacity by employing contractors utilizing local labour
- 6.3 Provide and maintain a vibrant and safe provincial transport network

### Subprogramme: Construction and Maintenance

#### Strategic Objectives, Performance Indicators and Performance Targets:

##### *Strategic Objective 6.2: Enhance improved service delivery capacity by employing contractors utilizing local labour.*

Performance Indicator	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
6.2.1 Number of emerging contractors on EPWP projects.	47	132	138	-6	Over achievement due to efforts to maximize the development of SMME contractors.
6.2.2 Number of job opportunities created (non-EPWP projects).	559	2 000	2 456	-456	Target exceeded due to the Department's strategic objective on poverty alleviation and unrest as a result of unemployment.
6.2.3 Number of job opportunities created (EPWP Projects) including Operation Hlasela programme (Household development programme).	825	2 000	2 498	-498	

##### **Strategic Objective 6.3: Provide and maintain a vibrant and safe provincial transport network.**

Performance Indicator	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
6.3.1 Number of km upgraded: Route 4 Phase 1 (9.6 km).	0	4 km	2.6	1.4	Attend to bad roads of approximately 0.8km in Memel and 0.4 in Vrede to create access for scholars due to storm damage.
6.3.2 Number of km upgraded: Monontsha (6.4 km).	0	3 km	1.5	1.5	Reasons for under achievement are due to lack of availability of material and bad weather conditions.
6.3.3 Thaba Nchu public transport route (6km).	0	2.8 km	4.1	-1.3	Due to other projects not moving i.e. Monontsha, scope was increased to ensure accessibility to schools and clinics.

## Customised Indicators

Performance Indicator	Actual Achievement 2013/14	Annual target 2014/15	Actual Achieved 2014/15	Deviation from planned target	Reasons for deviation
<b>Construction</b>					
Number of kilometres of gravel roads upgraded to surfaced roads.	0	8.8	11	-2.2	Repair of bad roads in Vrede, Memel as well as Botshabelo.
<b>Maintenance</b>					
Number of lane-km of surfaced roads rehabilitated.	57.81	400	309.7	90.3	Delays caused by bad weather conditions.
Number of square meters of surfaced roads resealed.	0	800 000	48 909	751 091	Most projects are on the last stage of construction stage and resealing is the last construction activity to be done during the construction of a road as well as bad weather that delayed the programme.
Number of kilometres of gravel roads re-gravelled.	19.23	120	298.43	-178.43	Overachievement due to request for assistance by Municipalities and farmers.
Number of square meters of blacktop patching (including pot holes repairs).	431 766	209 000	785 050	-576 050	Most of patching was done to prepare for resealing works to eradicate potholes.
Number of kilometres of gravel roads bladed.	56 398	52 000	51 632	368	Due to the condition of gravel roads and complaints from communities and farmers, blading of roads increased to make roads accessible to the public.
Number of weighbridges calibrated to SABS standard.	3	3	3	0	-
<b>EPWP Coordination and Monitoring</b>					
Number of jobs created.	1 583	4 000	4 954	-954	Target exceeded due to the Department's strategic objective on poverty alleviation and unrest as a result of unemployment.
Number of full time equivalents (FTEs).	389.42	3 478	1 235	2 243	
Number of youths employed (18 - 35).	995	2 400	3 307	-907	
Number of women employed.	356	1 600	1 861	-261	
Number of people living with disabilities employed.	0	80	3	77	People with disabilities receive a Disability Grant from the Government.

### Reasons for deviations

Reasons for deviation in most of the targets were as a result of lack of availability of material and unpredicted bad weather conditions which causes further damages to the roads infrastructure i.e. Flood Damages: Bridges being washed away or more potholes as a result of rain.

### Strategy to overcome areas of under performance

The programme will improve maintenance and construction planning towards the attainment of its objectives and targets. Better project analysis and planning needs to be addressed in order to achieve set targets.

### Linking performance with budget

The programme underspent by R19,322 000.00 for the year under review.

### Subprogramme Expenditure

Details per subprogramme	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
<b>6.1 PROGRAMME SUPPORT INFRASTRUCTURE</b>						
Current Payments	4 533	4 852	(319)	20 934	13 346	7 588
Transfers and subsidies	0	0	0	0	0	0
Payments for capital assets	179	0	179	1 176	432	744
<b>6.2 INFRASTRUCTURE PLANNING</b>						
Current Payments	22 228	29 989	(7 761)	25 347	18 314	7 033
Payments for financial assets	0	15	(15)	0	0	0
Payment for capital assets	18 142	674	17 468	8 140	11 497	(3 357)
<b>6.3 INFRASTRUCTURE DESIGN</b>						
Current Payments	2 941	1 336	1 605	3 351	695	2 656
Transfers and subsidies	0	0	0	0	0	0
Payment for capital assets	0	0	0	0	0	0
<b>6.4 CONSTRUCTION</b>						
Current Payments	4 181	1 526	2 655	(4 695)	3 738	(8 433)
Transfers and subsidies	0	0	0	20 000	20 000	0
Payment for capital assets	0	0	0	7 900	4 426	3 474
<b>6.5 MAINTENANCE</b>						
Current Payments	1 172 142	823 017	349 125	397 176	353 246	43 930
Transfers and subsidies	4 590	4 722	(132)	5 049	5 052	(3)
Payment for capital assets	352 746	695 536	(342 790)	1 264 039	1 007 886	256 153
Payments for financial assets	0	693	(693)	0	0	0
<b>TOTAL</b>	<b>1 581 682</b>	<b>1 562 360</b>	<b>19 322</b>	<b>1 748 417</b>	<b>1 438 632</b>	<b>309 785</b>



## Programme 6 per economic classification

Programme 6 Per Economic Classification	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
<b>CURRENT PAYMENTS</b>						
Compensation of employees	133 848	131 534	2 314	141 945	132 246	9 697
Goods and Services	1 072 177	684 387	387 790	300 108	257 036	43 072
Interest and rent on land	0	1 070	(1 070)	60	55	5
<b>TRANSFERS AND SUBSIDIES</b>						
Provinces and municipalities	0	0	0	0	0	0
Departmental agencies and accounts	0	0	0	20 000	20 000	0
Public corporations and private enterprises	0	0	0	0	0	0
Non-profit institutions	0	0	0	0	0	0
Households	4 590	4 722	(132)	5 049	5 052	(3)
<b>PAYMENT FOR CAPITAL ASSETS</b>						
Building and other fixed structures	367 442	733 741	(366 299)	1 277 412	1 023 029	254 383
Machinery and equipment	2 925	6 193	(3 268)	2 143	473	1 670
Land and subsoil assets	700	4	696	1 700	739	961
Intangible assets	0	0	0	0	0	0
Payments for financial assets	0	708	(708)	0	0	0
<b>TOTAL</b>	<b>1 581 682</b>	<b>1 562 361</b>	<b>19 321</b>	<b>1 748 417</b>	<b>1 438 630</b>	<b>309 785</b>

## 5. TRANSFER PAYMENTS

The table below reflects the transfer payments made for the period 1 April 2014 to 31 March 2015.

### 5.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Government Garage	Fleet Management Services	R3 800 000	R3 800 000	The order has been placed by the Entity for the armoured vehicle.

### 5.2 TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES.

The table below reflects the transfer payments made to all organisations other than public entities for the period 1 April 2014 to 31 March 2015.

Name of transferee/s	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Free State Provincial Taxi Council	Private enterprises	Empowerment of the Taxi structures in line with the NTTT recommendations to defray operational costs	Yes	5 000	5 000	N/a
Interstate Bus Lines; Maluti Bus Services; Thebeagae	Private enterprises	Bus subsidy on public transportation	Yes	215 774	215 774	N/a

The table below reflects the transfer payments which were budgeted for in the period 1 April 2014 to 31 March 2015, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
N/a	N/a	0	0	0

## 6. CONDITIONAL GRANTS

### 6.1 CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

The Department has two conditional grants namely:

- Transport Infrastructure Grant (PRMG)
- Public Transport Operations Grant (PTOG)

6.1.1 The table/s below details the Transport Infrastructure Grants and earmarked funds received during for the period 1 April 2014 to 31 March 2015.

**Provincial Road Maintenance Grant:**

Department who transferred the grant	National Department of Transport and National Treasury
Purpose of the grant	For Provincial road infrastructure maintenance
Expected outputs of the grant	Maintenance of roads related Infrastructure
Actual outputs achieved	Payment for road rehabilitation and maintenance projects
Amount per amended DORA	R1 261 338
Amount received (R'000)	R1 261 338
Reasons if amount as per DORA was not received	Received all funding
Amount spent by the Department (R'000)	R1 261 445
Reasons for the funds unspent by the entity	Current payments were reclassified according to SCOA as capital payments. SCOA classification of PRMG projects were corrected with journals. Consistency in reporting on the asset register over the MTEF was used as a basis for correcting these.
Reasons for deviations on performance	Not applicable. No deviations on performance
Measures taken to improve performance	None
Monitoring mechanism by the receiving Department	Quarterly visits monthly reports

**The EPWP Integrated grant to the Province:**

Department who transferred the grant	Department of Works and National Treasury
Purpose of the grant	Fully EPWP compliant roads projects
Expected outputs of the grant	Maximising job creation
Actual outputs achieved	Used grant on Thaba Nchu Public Transport Route
Amount per amended DORA	R4 635 million
Amount received (R'000)	R4 635 million
Reasons if amount as per DORA was not received	Received all funding
Amount spent by the Department (R'000)	R4 633 million
Reasons for the funds unspent by the entity	Not applicable
Reasons for deviations on performance	Not applicable. No deviations on performance
Measures taken to improve performance	None
Monitoring mechanism by the receiving Department	Quarterly visits monthly reports

**Infrastructure Enhancement Allocation:**

Department who transferred the grant	Free State Treasury
Purpose of the grant	For Provincial Road Infrastructure maintenance
Expected outputs of the grant	Maintenance of roads related Infrastructure
Actual outputs achieved	Used on payments for taxi ranks roads upgrades maintenance and all roads internal operational costs
Amount per amended DORA	R320 625 000
Amount received (R'000)	R320 625 000
Reasons if amount as per DORA was not received	Received all funding
Amount spent by the Department (R'000)	R299 296 000
Reasons for the funds unspent by the entity	Saving on the slow moving projects to the amount of R13 million and savings on compensation of employees on posts that could not be filled during the year as per the moratorium issued by Provincial Treasury not to fill posts.
Reasons for deviations on performance	Not applicable. No deviations on performance
Measures taken to improve performance	None
Monitoring mechanism by the receiving Department	In-year monitoring and treasury reporting meetings



6.1.2 The table/s below details the conditional grants and earmarked funds received during for the period 1 April 2014 to 31 March 2015.

#### Public Transport Operations Grant

Department who transferred the grant	Department of Transport and National Treasury
Purpose of the grant	To provide supplementary funding towards public transport services provided by the Department
Expected outputs of the grant	The provision of public transport services in terms of contracts which are kilometre based that are supportive of intermodal efficiencies in public transport and affordable to the users of the services
Actual outputs achieved	<p>The Grant funded 12 463 274.8kms of subsidised public transport contract services that were operated in the Province. Due to budgetary constraints, the Province is not in a position to fund any subsidised services from its Equitable Share and totally relied on the Grant to cover its contractual commitments with Operators.</p> <p>The Province managed to spend the whole grant amount allocated as per the contract.</p>
Amount per amended DORA	R215 900 000
Amount received (R'000)	R215 900 000
Reasons if amount as per DORA was not received	Not applicable. The full amount allocated was spent.
Amount spent by the Department (R'000)	R215 774 000
Reasons for the funds unspent by the entity	Not applicable
Reasons for deviations on performance	Not applicable. No deviations on performance
Measures taken to improve performance	Penalties imposed on service providers for non-compliance
Monitoring mechanism by the receiving Department	All services funded through the Grant are monitored by an external, independent Supervision and Monitoring Firm (SMF) appointed by the Department for that purpose. The SMF does physical and electronic monitoring to ensure that Operators only claim subsidy for kilometres of service actually operated. The SMF also certifies the Operator's monthly claims for correctness.

**Revenue Enhancement Allocation:**

Department who transferred the grant	Free State Provincial Treasury
Purpose of the grant	To provide supplementary funding towards enhancing revenue collection in the Province.
Expected outputs of the grant	To enhance revenue collection in the province by ensuring that the testing stations are upgraded to the acceptable standards in testing vehicles for roadworthiness. To ensure that that traffic fines are collected in an efficient manner through the establishment of a back office linked to the speed cameras.
Actual outputs achieved	The earmarked funds received were spent towards the upgrading of the testing stations, procurement of traffic laser machines and traffic violating machines. The establishment of the back office is in progress.
Amount per amended DORA	R23 734 000
Amount received (R'000)	R23 734 000
Reasons if amount as per DORA was not received	Not applicable. The full amount allocated was spent.
Amount spent by the Department (R'000)	R23 991 000
Reasons for the funds unspent by the entity	All funds were spent by the Department.
Reasons for deviations on performance	Not applicable. No deviations on performance
Measures taken to improve performance	Penalties imposed on service providers for non-compliance
Monitoring mechanism by the receiving Department	Funds are monitored by Provincial Treasury on a quarterly basis and progress on the projects is physically monitored.

**7. CAPITAL INVESTMENT****7.1 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN****Progress made on implementing the capital, investment and asset management plan.**

The Department has spent R1,557 million of the R1,580 million capital budget.

Infrastructure projects which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year.

The infrastructure major project practically completed in 2014/15 is Zastron – Wepener road only. In the process to finalise the 23 Turnkey roads settlements the Department committed the funds to the finalisation of the 23 Turnkey roads.

### Infrastructure projects that are currently in progress

The infrastructure projects that are currently in progress are:

Project	Expected Date of Completion
Qwaqwa Route 4	March 2016
Monontsha Border Post	March 2016
Thaba Nchu Public Transport Route	March 2015
Sasolburg – Deneysville	June 2015
Zastron – Wepener	March 2015
Kroonstad – Vredefort	June 2015
Parys Through Route	June 2015
Memel – Botha's Pass	July 2015

### Plans to close down or down-grade any current facilities

There are currently no plans to close down or down-grade any current facilities.

### Progress made on the maintenance of infrastructure

During the year in review the Alternative Pothole Repair Projects was established and will continue till March 2015. The Department has a history of ageing workforce and loss of skilled knowledge. In an attempt to create a large number of new young road maintenance contractors, the Department makes use of and train a number of people on the Contractor Development Programme. These contractors along with the Departmental teams can be seen on most of the Free State roads. Although the roads still deteriorated, the rate of deterioration will be slowed down.

### Developments relating to the above that are expected to impact on the Department's current expenditure

The deterioration of roads is still that the need for budget far exceeds the available allocations. The Department therefore attempts to do cost effective surface work which can save the network until more funds are available for full reconstruction.

### Details as to how asset holdings have changed over the period under review

The road assets did not change during the financial year.

### Measures taken to ensure that the Department's asset register remained up-to-date during the period under review

The Department updated and cleaned the roads bridge register. The visual inspections on all surfaced roads are performed on a two yearly basis and on the gravel roads on a three year basis. The visual inspections will be done surfaced roads during the 2014/15 financial year and for gravel roads during 2015/16 financial year.

### The current state of the Department's capital assets

The roads assets in the Free State is still in an alarmingly bad position with surfaced roads 5% very good, 8% good, 17% fair, 25% poor and 45% very poor. The roads deteriorated to this condition over a period of more than 10 years where the age of the pavement layers have exceeded the lifespan to a point where the high cost of road works could not be funded from the available budgets.

### Major maintenance projects that have been undertaken during the period under review

Through the Contractor Development Programme and in addition to normal Departmental maintenance teams, the Department had 140 small contractors on a Contractor Development Programme. These contractors received short term contracts in which they did maintenance work on many of the Free State roads. The Alternative Pothole Repair Project assisted with decreasing the potholes on the Free State roads.

### Progress made in addressing the maintenance backlog during the period under review

The percentage of poor and very poor roads is at 70%. This high rate is more than the Department wishes it to be. Although the conditions that contribute to the state of 70% poor and very poor roads are mainly the old age and lack of frequent preventive maintenance. Alternative Pothole Repair Project have scaled up pothole repairs and will assist with regular fixing of potholes and will delay further deterioration of roads.

### Infrastructure Expenditure

Infrastructure Projects	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
New and Replacement assets	16 400	0	16 400	14 100	15 187	(1 087)
Existing infrastructure assets	0	0	0	0	0	0
Upgrade and additions	2 370	16 933	(14 563)	18 500	10 114	8 386
Rehabilitation, renovations and refurbishments	348 672	690 012	(341 340)	124 4812	997 731	247 081
Building & Other fixed Structures	367 442	706 945	(339 503)	1 277 412	1 023 032	254 380
Maintenance and Repairs	948 290	610 073	338 217	118 387	109 826	8 561
Infrastructure transfer	0	0	0	0	0	0
-Current	0	0	0	0	0	0
-Capital	0	0	0	0	0	0
<b>TOTAL</b>	<b>1 315 732</b>	<b>1 317 018</b>	<b>(1 286)</b>	<b>1 395 799</b>	<b>1 132 858</b>	<b>262 941</b>





# PART C

## GOVERNANCE





## 1. INTRODUCTION

The Department maintains and acknowledged the fact that the highest standards of governance are fundamental to the management of public finances and resources. Good governance is essential for effective leadership in defining strategy, provide direction and establish the ethics and values that will influence and guide practices and behaviour with regard to sustainable performance and is an important source of both opportunities and risks for the Department.

## 2. RISK MANAGEMENT

Risk Management is a process that deals with uncertainties in the Departments business environment. Through risk management processes pre-emptive mechanisms are established to enhance the control environment and improve service delivery efforts with a focus on narrowing the scope of fraud and corruption.

The aim of risk management is to establish a culture where public servants focus on risk analysis and response. The quality of strategic and operational planning is improved. Sound management of risk will enable the Department to anticipate and respond to changes in the service delivery environment, as well as taking informed decisions under conditions of uncertainty.

The Free State Department of Police, Roads and Transport adopted an entity-wide approach to risk management and takes full responsibility in ensuring that the implementation of risk management takes place in all components.

### **Risk Management Policy and Strategy**

The Risk Management Policy and Risk Management Strategy for the Department and its Entity is in place, reviewed, approved and implemented on an annual basis.

Risk management strategies to conduct regular risk assessments to determine the effectiveness of the Departmental Risk Management Strategy and to identify new and emerging risks

Risk are being analysed and prioritised, which ensures that the effect on how potential risks might affect the achievement of strategic and operational objectives is recognised. Management assesses the impact and likelihood of risk events from an inherent and residual perspective. Likelihood represents the probability that an event may occur, while impact represents the effect or consequence should the risk occur to the Department or business unit.

Risks are identified in the Department using a business process approach which involves identifying risks for all components and activities through contact sessions, structured interviews and/or workshops with key process staff. Regular risk assessments are being performed against the Risk Management Implementation Plan and Quarterly Operational Plans.

A combination of mitigation strategies may be appropriate in the treatment of risks, namely:

- Risk avoidance
- Risk acceptance
- Risk reduction
- Risk transfer

Risk appetite and tolerance levels of the Department are being used to implement appropriate risk mitigation actions taking all possible contingencies into account.

Responsibilities and timescales for the implementation of the risk management strategies and actions for each risk are assigned to risk owners. Risk owners are responsible to give assurance that risks are being managed.

### **Risk Management Committee role in advising management on the overall system of risk management, especially the mitigation of unacceptable levels of risk**

The Risk Management Committee is appointed by the Accounting Officer and functional. Quarterly risk management reports are being presented to the Risk Management Committee and Accounting Officer with a reflection of the total risk universe at unacceptable, cautionary and acceptable levels.

The Risk Management Committee oversees the review of risk management policy documentation, appetite and tolerance levels. Evaluate the effectiveness of mitigation strategies to address material risks facing the Department.

### **Audit Committee role in advising the Department of risk management and independently monitors the effectiveness of the risk management system**

Quarterly risk management reports are being presented to the Audit Committee by the Chief Risk Officer covering the risk profile of the Department, mitigation of risks and awareness. The Audit Committee provided independent advice on the reports and risk profiles.

### **Progress made in the management of risks and whether this has transmitted into improvements in the Department's performance**

Risk Management's objective is to ensure that risks are identified, assessed and managed to an acceptable level and opportunities fully exploited, whilst minimising:

- Financial loss;
- Operational and service delivery disruptions;
- Bad publicity and reputation loss;
- Threats to the public and employees health and safety; and
- Claims for compensation resulting from litigation, etc.

To this effect Risk Management provides reasonable assurance that -

- Systems are in place to identify, track and report upon existing and emerging strategic and operational risks that could cause damage to the Department or our stakeholders; and
- Risk management is embedded throughout the Departments' corporate culture, employees' ethics and creation of an environment where all staff will assume responsibility for identifying and managing risk.

The following control processes are clearly identified and articulated:

- Accountability, Roles and Responsibilities for risk management;
- Identification and management of risks;
- Monitoring and reporting of risks;
- How risk management is embedded into the corporate culture of the Free State Department of Police, Roads & Transport

The Risk Management Unit is monitoring risks formally and issues formal monitoring reports which are filtered to the following:

- Accounting Officer
- Risk Management Committee
- Executive Management, and

- Audit Committee

Risk owners are also responsible to monitor risks on a continuous basis. Monitoring and reporting on risk mitigation is being done in line with the following timetable:

#### **Annually**

Executive Management and Senior Management is reviewing strategic/operational risks in conjunction with the Department's strategic planning processes (Top strategic priority risks)

#### **Quarterly**

Review strategic and operational risks and obtain assurance that risk management strategies have been implemented and new risks are being identified and reported to the Executive Management Team

Review strategic and operational risks and obtain assurance that risk management strategies have been implemented and new risks are being identified and are being reported to the Risk Management Committee.

During quarterly reviews, progress reports on the high operational risks and strategic emerging risks are being presented by each Chief Directorate.

#### **Monthly**

Chief Directorate and Directorate Management Meetings review Directorate Risk Registers to obtain assurance that risks are being identified and managed in consultation with the Chief Risk Officer.

Management of risks is being enforced to be a standing agenda item on Chief Directorate and Directorate meetings to ensure that risk mitigation plans are implemented and progress reported regularly. Management of risks has been included in the Annual Performance Agreements of all SMS Members.

Following each of the monthly and quarterly reviews, risk registers are being forwarded to the Chief Risk Officer for presentation to the Risk Management Committee.

With the implementation of risk management, the Department has moved from a disclaimer audit opinion to an unqualified audit opinion. The risk profile of the Department displayed an improvement in the implementation of internal controls and correction of compliance matters.

### **3. FRAUD AND CORRUPTION**

The Department's fraud prevention plan and the progress made in implementing the Fraud Prevention Plan

The Chief Risk Officer in consultation with the Director: Security Management responsible for Fraud and Anti-corruption has developed and reviewed the Fraud Prevention Plan on an annual basis. The Fraud Prevention Plan has been recommended by the Risk Management Committee and the Accounting Officer has approved implementation. Quarterly monitoring on the implementation of the Fraud Prevention Plan has been incorporated into the agenda of the Risk Management Committee.

The Department of Police, Roads and Transport adopted a zero appetite and tolerance levels to fraudulent activities.

This fraud prevention plan covers the following minimum requirements:

- Executive Summary by Accounting Officer / Accounting Authority;
- Objective of the fraud prevention plan;
- Definition of fraud that the Department subscribes to;
- Fraud prevention and detection measures;



- Fraud implementation plan;
- Fraud indicators and warning signs;
- Fraud risk management;
- Whistle-blowing;
- Fraud reporting, and:
- Fraud response plan.

In implementation the Fraud Prevention Plan Risk Management has successfully developed and distributed the following awareness material:

- Fraud Risk Management Pamphlet
- Fraud and Anti-corruption Posters
- Fraud Risk Management Awareness campaigns on intranet and formal awareness sessions.

**Mechanisms in place to report fraud and corruption and how these operate. E.g.: whistle-blowing - the need for officials to make confidential disclosure/s about suspect fraud and corruption:**

The Anti-corruption unit has developed policies to enable officials of the Department and stakeholders to report suspected fraud and corrupt activities, including members of the Free State Community. The Policy encourages workers to report fraud and corruption either confidentially or openly to the MEC, HOD and the Security Manager of the Department. Whistle-blowing is incorporated formally in the Fraud Prevention Plan of the Department.

**How these cases are reported and what action is taken:**

Cases are or can be reported through the Departmental call centre and the National Anti-corruption hotline, or letters addressed the Office of the Premier or MEC. Most cases investigated were reported through the Presidential Hotline, Public Service and Administration Fraud Hotline. When complaints are being received by the investigating unit, officers conduct a thorough investigation after which a comprehensive report is generated with recommendations.

## 4. MINIMISING CONFLICT OF INTEREST

All Senior Managers have filled in financial disclosure forms. These forms were then submitted to the Public Service Commission.

## 5. CODE OF CONDUCT

Workshops on code of conduct/ethics are continuously conducted by internal Labour Relation Office to the employees to have an understanding of code of conduct and adhere to it

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Workshops and briefing sessions on Health Safety and Environmental issues are continuously conducted by Employee-wellness unit to the employees of the Department

## 7. PORTFOLIO COMMITTEES

The Governance and Infrastructure Portfolio Committees meetings took place on 15 October 2014; 18 November 2014; 19 February 2015 and 19 May 2015.

The issues raised by the Committee were with regard to clarity on the report presented and answers where provided during the sitting.

## 8. SCOPA RESOLUTIONS

RESOLUTION NUMBER	PAR	SUBJECT	DESCRIPTION (RESOLUTION ONLY)	Progress with implementation as at March 2015
				RESPONSE BY DEPARTMENT
3/12/2014	4.2.2.1	Roads condition	The poor condition of the R74 Road between Harrismith and Oliviershoek, linking the Free State and Kwa Zulu-Natal Provinces.	Contractor appointed and projects started.
3/12/2014	4.2.2.2	Calibration of equipment	The lack of calibration equipment in some testing stations	Workshop Electronics service provider is appointed to calibrate all 58 Roadworthy Testing Centres
3/12/2014	4.2.2.3	Road markings	The continuous lack of road markings along the R30 and R70 in Matjhabeng	Road Marking contractors are appointed and they have started in all Districts.
3/12/2014	4.2.2.4	Planning	The lack of projections on the rehabilitation of all outstanding roads in the Province	Projects are implemented as per the priority and 10-year plan. Budget constraints are a serious problem/challenge.
3/12/2014	4.2.2.5	Contractors	There are contractors who are in breach of contracts by not completing road rehabilitation projects allocated to them on time.	Some matters are subjudice and other matters are finalised as per settlement agreement.
11/2014	1	IT Controls	The Portfolio Committee noted with great concern the shortcomings within the IT environment relating to the following: 1. No firewall policy and procedures exists to guide the implementation of the firewall infrastructure 2. The Disaster Recovery Plan (DRP) had not been tested during the year under review 3. Inadequate design of the user access controls 4. Key SCM officials did not attend training which might negatively affect data integrity and availability	1. Testing of the Disaster Recovery Policy will be conducted once a disaster recovery site is in place. The Department relies on the Department of Public Works, the custodian for immovable assets in the province, to identify a disaster recovery site.  2. User access rights and super user activities are monitored and reviewed on a monthly basis.
11/2014	2	Irregular expenditure	The Portfolio Committee was extremely concerned about the repeated irregular expenditure which was not prevented and delays in initiating and finalizing investigations of irregular expenditure by the Department.	The Department has developed and reviewed its procedure manual regarding the detection of Irregular expenditure.  The officials in Finance have been sent for training in this regard. The irregular expenditure for the current financial year is being detected before payment is made.

RESOLUTION NUMBER	PAR	SUBJECT	DESCRIPTION (RESOLUTION ONLY)	Progress with implementation as at March 2015
				RESPONSE BY DEPARTMENT
3/12/2014	1	Disaster Management Centre	The Mangaung Metro Municipality should be urged into establishing a Disaster Management Centre as a matter of extreme urgency as this could spell trouble when a disaster occurs and they are ill prepared.	Deliberations around the disaster management centre has always been part of the fusion centre deliberations. The idea is to consolidate all the EMS, Disaster and law enforcement functions to one point where it can be coordinated and planned for any eventuality.
3/12/2014	4	Inmates transportation	Report on the transportation of inmates from Odendaalsrus to Kroonstad and the cost implications thereof.	There is a shortage of detention facilities in the Province and transportation is very costly. The existing facilities cater for all 110 Juvenile, female and male prisoners must be transported separately and impacts on the number of vehicles available for policing. In situations where only one(1) vehicle is utilised, the normal wear and tear of vehicles in the Province is problematic as well as the high mileage on the vehicles. The Province is served by Kroonstad Correctional Service Facility for Juvenile and female detention. Grootvlei Correctional Service Facility serves a total number of 10 out of 18 Clusters (65 Stations) in respect of prisoners. This facility works on a first come first basis. Although stations leave early for the collecting of prisoners, the process at the facility influences the late arrival of prisoners. These cases are then either withdrawn or postponed because of the late arrival. The prisoners must then be transported back to the facility. An investigation was conducted during 2014 in respect of Phuthaditjhaba but the recommendations made were to be implemented throughout the Province. The Provincial Head of Visible Policing was tasked to implement the recommendations.

## 9. PRIOR MODIFICATION TO AUDITS REPORT

The Department obtained unqualified audit opinion in 2013/14 financial year.

## 10. INTERNAL CONTROL UNIT

The Internal audit function did evaluate the effectiveness and efficiency of controls and did give recommendations for their enhancement and improvements, as required by Treasury Regulation 3.2.11(a).

This is due to the fact that all the required audits as per internal audit plan were performed during the year. The operational plan was completed for the period of 1 April 2014 – 31 March 2015.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

### 11.1 Key Activities of Internal Audit

The IAA evaluates and contributes to the improvement of governance, risk management and control processes using a systematic disciplined approach.

### 11.2 Governance

The IAA must assess and make appropriate recommendations for improving the governance process in its accomplishment of the following objectives:

- Promoting appropriate ethics and values within the organization;
- Ensuring effective organizational performance management and accountability;
- Communicating risk and control information to appropriate areas within the organization; and
- Coordinating the activities of and communicating information among the Audit Committee,
- External and management

### 11.3 Risk Management

The IAA must evaluate risk exposures relating to the organization's governance, operations, and information system regarding the:

- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations;
- Safeguarding of assets; and
- Compliance with laws, regulations and contracts.

### 11.4 Control

The IAA must evaluate the adequacy and effectiveness of controls in responding to risk within the organization's governance, operations and information system regarding the:

- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations;
- Safeguarding of assets; and



- Compliance with laws, regulations and contracts

### 11.5 Objectives of the Internal Audit

Based on the result of the risk assessment, the Internal Audit's objective is to evaluate the adequacy and effectiveness of internal controls systems that ensure the:

- Reliability and integrity of financial and operational information.
- Effectiveness and efficiency of operations and programmes.
- Compliance with laws, regulations, policies, contracts and procedures; and
- Safeguarding of assets.

### 11.6 Summary of Internal Audit work done

During the year under review the Internal Audit Unit conducted the following engagements in accordance with the approved Internal Audit one year operational plan:

Business Unit	Audit Coverage
Monitoring and Evaluation	<ul style="list-style-type: none"> <li>• Predetermined Objectives</li> <li>• MPAT</li> </ul>
Financial Management	<ul style="list-style-type: none"> <li>• Procurement</li> <li>• Assets</li> <li>• Revenue</li> <li>• Transfer Payments and Conditional Grants</li> </ul>
Corporate Services	<ul style="list-style-type: none"> <li>• IT(General Controls)</li> <li>• Appointments</li> <li>• Overtime</li> <li>• Leave</li> </ul>
Fleet Management	<ul style="list-style-type: none"> <li>• Assets</li> <li>• Revenue</li> </ul>
Risk Management	<ul style="list-style-type: none"> <li>• Fraud Prevention Plan</li> <li>• Risk Assessment</li> </ul>

## 12. AUDIT COMMITTEE REPORT

### Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2015.

### Audit Committee Members and Attendance

The Audit Committee consists of the members listed hereunder and meets at least four (4) times per annum as per its approved audit committee charter. During the current year four (4) meetings were held. The attendance record of the different members is as detailed below:

Name of Member	Audit Committee Meetings			
	27 May 2014	19 August 2014	08 December 2014	13 February 2014
Ms M. Nkomo (Chairperson from 1 September 2014)	■	■	✓	✓
Ms P. Mateta (Acting Chairperson until 31 August 2014)	✓	✓	✓	✓
Mr C. Weapond	✗	✓	✓	✓
Mr A. Mahlalutye	✓	✓	✗	✓
Mr L. Shabe	✓	✓	●	●
Mr S. Majola	■	■	✗	✓
Mr G. Motloi	■	■	✓	✓

### Legend:

✓	Member attended the audit committee meeting[s]	■	Member not yet appointed on the committee
✗	Member tendered an apology for the audit committee meeting[s]	●	Member term expired

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibility arising from section 38(1)(a) of the Public Finance Management Act, 1999 (the PFMA) and paragraph 3.1 of the Treasury Regulations, adopted appropriate terms of reference as its charter and has regulated its affairs in accordance with the Audit Committee Charter that is reviewed annually to ensure its relevance.

### The Effectiveness of Internal Control

In line with the PFMA, Treasury Regulations and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with the assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancement to the controls and processes. Based on the various reports by Internal Audits, the Audit Report on the Annual Financial Statements and the management report of the Auditor-General, it was noted the matter were reported indicating deficiencies in the system internal control.

Accordingly, we can report that the system of internal control for the period under review was inadequate. The Audit Committee noted significant progress being made to improve the internal control system in the Department. It also noted that management has implemented adequate controls in most areas within the Department to provide reasonable assurance that all major inherent risks are appropriately identified; managed and applicable legislation is adhered to.

### **In-Year Management and Monthly/Quarterly Report**

The Department has been reporting monthly and quarterly to the Provincial Treasury as required by the PFMA.

The Audit Committee is satisfied with the contents and quality of in-year and quarterly reports prepared and issued by the Accounting Officer of the Department of Police, Roads and Transport in terms of the PFMA and the Devision of Revenue Act during the year under review.

### **Evaluation of Financial Statements**

The Audit Committee has:

- Reviewed and discussed the unaudited Annual Financial Statements to be included in the Annual Report, with the Auditor General and the Accounting Officer;
- Reviewed the information on the predetermined objectives to be included in the Annual Report; and
- Reviewed the Department compliance with legal and regulatory provisions.

### **Risk Management**

Progress has been made in the administration and review of risk register, and the approval of relevant policies. However, there is a need to focus on and address the requirements of the ICT Governance Framework and develop and implement Business Continuity Plans as well as Disaster Recovery Plans.

### **Internal Audit**

The Audit Committee has received and reviewed the quarterly internal audit reports and concur that internal audit has addressed risks pertinent to the department in its internal audit reviews. The Audit Committee is satisfied that internal audit function is operating effectively. The following list constitutes some of the internal audit work that was completed during the year under review:

- IT General Controls Audit
- Review of Pre-determined Objectives
- Financial Management
- Risk Management Audit
- Management Performance Assessment Tool (MPAT)
- Human Resource Management
- Assets Management
- Evaluation of the Annual Financial Statement and Annual Report

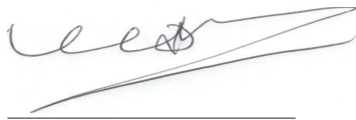
The following areas of concern were identified:

- The delays in addressing some of the issues raised by the Auditor-General South Africa during the 2013/14 audit
- The poor performance in relation to meeting some of the pre-determined performance targets

#### **Report of the Auditor-General**

We have reviewed the Auditor-General's Report and the Department's implementation plan for the audit issues raised for the previous year and we are satisfied that although there were still matters not resolved the department have adequately addressed findings from prior year.

The Audit Committee has met with the Auditor-General South Africa (AGSA) to ensure that there are no unresolved issues. The Audit Committee concurs and accepts the conclusions of the AGSA on the annual financial statements be accepted and read together with the report of the AGSA.



**Mrs. MMD Nkomo**

**Chairperson of the Shared Audit Committee**

**Date: 31 July 2015**





# PART D

## HUMAN REOURCES MANAGEMENT



## 1. INTRODUCTION

The HR oversight statistics reflected in this part of report is aimed at providing credible and accurate employee data in order to support decision making by the strategic leadership of the Department. Human Resource Management is aligned with the strategic objective of to enhance the human capacity-base of the Department of Police, Roads and Transport. The information is presented as prescribed by the Minister for the Public Service and Administration for all Departments in the public service.

## 2. OVERVIEW OF HUMAN RESOURCES

Department of Police, Roads and Transport has a total number of 2 333 filled posts and 660 vacant posts. As at 31 March 2014, the vacancy rate was 47.9%, however the vacancy rate has significantly dropped to 22.1% as at 31 March 2015. This is largely due to the abolishment of the unfunded posts as well as filling the critical funded posts.

The following were human resource priorities for the year under review:

- Recruitment of skilled and capable workforce.
- Reduction of vacancy rate.
- Increasing women representation at Senior Management level.

The impact of the above-mentioned priorities is that the Department was able to recruit a total number of 526 employees during the period under review. The Department was also able to recruit 4 women in Senior Management positions, at the level of Director. As at 31 March 2014, vacancy rate was at 47% and it dropped to 22.1% as at 31 March 2015.

Workforce planning and key strategies going forward are as follows:

- Recruitment of persons with disabilities with a view of achieving 2% employment equity target;
- Increasing the number of women in Senior Management positions, and:
- Training and development of employees.

Employee performance is managed on an ongoing basis and performances above expectations has been rewarded accordingly during the period under review

Employee wellness programmes during the year under review included HIV & AIDS awareness campaigns, TB Management, Health Promotions and Financial Management.

The following achievements can be recorded during the year under review:

- Reduction of vacancy rate.
- Recruitment of capable and skilled personnel.

Challenges faced by the Department included amongst others, ageing personnel and high turnover rate due to retirement, death and resignations.

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS

The Department is providing the following key information on its human resources.

#### 3.1. 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, home owner's allowances and medical aid.

**Table 3.1.1: Personnel expenditure by programme for the period 1 April 2014 and 31 March 2015.**

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Administration	213 708	100 356	386	0	47%	43	466
Civilian Oversight	8 316	7 779	112	0	93.8%	3	14
Crime Prevention and Community-Police relations	15 536	7 291	0	0	47%	3	13
Transport infrastructure	1 562 361	131 534	0	0	8.4%	56	723
Transport operation	254 069	28 045	0	0	11.1%	12	218
Transport regulation	358 782	241 946	35	0	67.5%	104	899
Z=Total as on Financial Systems (BAS)	2 412 773	516 951	533	0	21.4%	222	2 333



**Table 3.1.2: Personnel costs by salary band for the period 1 April 2014 and 31 March 2015.**

Salary Bands	Compensation of Employees Cost including Transfers (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Number of Employees
Lower skilled (Levels 1-2)	8 686	1.6%	28 019	310
Skilled (Levels 3-5)	169 668	31.5%	164 407	1032
Highly skilled production (Levels 6-8)	220 996	41%	281 165	786
Highly skilled supervision (Levels 9-12)	83 292	15.4%	514 148	162
Senior management (Levels 13-16)	28 358	5.3%	914 774	31
Contract (Levels 1-2)	121	0	0	0
Contract (Levels 3-5)	3 341	0.6%	0	0
Contract (Levels 6-8)	2 339	0.4%	584 750	4
Contract (Levels 9-12)	5 388	1%	1 077 600	5
Contract (Levels 13-16)	3 453	0.6%	1 151 000	3
Periodical Remuneration	1 164	0.2%	33 257	35
<b>TOTAL</b>	<b>526 806</b>	<b>97.7%</b>	<b>222 469</b>	<b>2 368</b>

**Table 3.1.3: Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2014 and 31 March 2015.**

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme (R'000)
Administration	74 921	74.2%	1 469	1.5%	2753	2.7%	4 696	4.7%	100 959
Civilian Oversight	6 395	72.9%	0	0	93	1.1%	316	3.6%	8 777
Crime Prevention and Community-Police relations	5 219	71.5%	0	0	125	1.7%	318	4.4%	7 303
Transport infrastructure	9 2418	65.7%	23	0	7 346	5.2%	8 007	5.7%	14 0732
Transport operation	21 738	75.2%	284	1%	560	1.9%	1 040	3.6%	28 892
Transport regulation	16 4457	65.1%	14 491	5.7%	8 625	3.4%	15 604	6.2%	25 2785
<b>TOTAL</b>	<b>36 5148</b>	<b>67.7%</b>	<b>16 267</b>	<b>3%</b>	<b>19 502</b>	<b>3.6%</b>	<b>29 981</b>	<b>5.6%</b>	<b>53 9448</b>



**Table 3.1.4: Salaries, Overtime, Home Owners' Allowance and Medical Aid by salary band for the period 1 April 2014 and 31 March 2015.**

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
Lower skilled (Levels 1-2)	7 505	86.1%	30	0.3%	247	2.8%	355	4.1%	8 720
Skilled (Levels 3-5)	114 771	66.8%	826	0.5%	10 123	5.9%	12 727	7.4%	171 791
Highly skilled production (Levels 6-8)	145 147	64%	14 035	6.2%	7546	3.3%	14 148	6.2%	226 966
Highly skilled supervision (Levels 9-12)	60 698	70.3%	1 309	1.5%	1389	1.6%	2 536	2.9%	86 349
Senior management (Levels 13-16)	23 652	80.4%	0	0	198	0.7%	212	0.7%	29 430
Contract (Levels 1-2)	121	100%	0	0	0	0	0	0	121
Contract (Levels 3-5)	3 286	98.3%	53	1.6%	0	0	0	0	3 342
Contract (Levels 6-8)	2 300	97.3%	15	0.6%	0	0	0	0	2 365
Contract (Levels 9-12)	4 738	84%	0	0	0	0	2	0	5 639
Contract (Levels 13-16)	2 931	84.6%	0	0	0	0	0	0	3 464
Periodical Remuneration	0	0	0	0	0	0	0	0	1 263
<b>TOTAL</b>	<b>365 149</b>	<b>67.7%</b>	<b>16 268</b>	<b>3%</b>	<b>19 503</b>	<b>3.6%</b>	<b>29 980</b>	<b>5.6%</b>	<b>53 9450</b>

### 3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- Programme
- Salary band
- Critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

**Table 3.2.1: Employment and vacancies by programme as on 31 March 2015.**

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration	654	466	28.7%	144
Civilian Oversight	16	14	12.5%	0
Crime Prevention and Community-Police relations	16	13	18.8%	0
Transport Infrastructure	1 023	723	29.3%	1
Transport Operation	246	218	11.4%	150
Transport Regulation	1 038	899	13.4%	0
<b>TOTAL</b>	<b>2 993</b>	<b>2 333</b>	<b>22.1%</b>	<b>295</b>

**Table 3.2.2: Employment and vacancies by salary band as on 31 March 2015.**

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2)	522	311	40.4%	290
Skilled (Levels 3-5)	1 173	1 032	12%	1
Highly skilled production (Levels 6-8)	998	785	21.3%	0
Highly skilled supervision (Levels 9-12)	253	162	36%	0
Senior management (Levels 13-16)	35	31	11.4%	0
Contract (Levels 6-8)	4	4	0	2
Contract (Levels 9-12)	5	5	0	1
Contract (Levels 13-16)	3	3	0	1
<b>TOTAL</b>	<b>2 993</b>	<b>2 333</b>	<b>22.1%</b>	<b>295</b>

**Table 3.2.3: Employment and vacancies by critical occupations as on 31 March 2015.**

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative related	145	114	21.4%	1
All artisans in the building metal machinery etc.	5	5	0	0
Auxiliary and related workers	11	9	18.2%	0
Binding and related workers	1	1	0	0
Cleaners in offices workshops hospitals etc.	58	49	15.5%	4
Client inform clerks (switchboard, receptionist, information clerks)	6	6	0	0
Communication and information related	2	2	0	0
Computer programmers	2	1	50%	0
Electrical and electronics engineering technicians	3	3	0	0
Engineering sciences related	89	19	78.7%	1
Engineers and related professionals	27	7	74.1%	0
Finance and economics related	8	5	37.5%	1
Financial and related professionals	43	34	20.9%	0
Financial clerks and credit controllers	473	419	11.4	0
Head of Department/Chief Executive Officer	1	1	0	0
Housekeepers laundry and related workers	1	1	0	0
Human Resources and Organisat Development & Related professions	48	19	60.4%	0

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Human resources clerks	28	13	53.6%	0
Human resources related	5	4	20%	0
Information technology related	3	3	0	0
Inspectors of apprentices works and vehicles	5	4	20%	0
Language practitioners interpreters and other communication officers	10	8	20%	0
Library mail and related clerks	20	16	20%	0
Light vehicle drivers	3	3	0	0
Logistical support personnel	24	18	25%	0
Material-recording and transport clerks	13	8	38.5%	0
Messengers, porters and deliverers	21	16	23.8%	0
Natural sciences related	2	1	50%	0
Other administration and related clerks and organisers	209	170	18.7%	1
Other administrative policy and related officers	14	10	28.6	0
Other information technology personnel	33	16	51.5%	0
Other occupations	3	3	0	0
Other printing trade workers	1	1	0	0
Regulatory inspectors	654	585	10.6%	144
Risk management and security services	3	1	66.7%	0
Road superintendents	21	19	9.5%	0
Road trade workers	1	1	0	0
Road workers	711	525	26.2%	0
Safety health and quality inspectors	3	1	66.7%	0
Secretaries & other keyboard operating clerks	35	20	42.9%	0
Security officers	210	158	24.8%	142
Senior managers	33	29	12.1%	1
Trade labourers	5	5	0	0
<b>TOTAL</b>	<b>2 993</b>	<b>2 333</b>	<b>22.1%</b>	<b>295</b>



### 3.3 Filling of SMS Posts

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

**Table 3.3.1: SMS post information as on 31 March 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
Director-General/Head of Department	1	1	100%	0	0%
Salary Level 16/ MEC	1	1	100%	0	0%
Salary Level 15	1	0	0%	1	100%
Salary Level 14	7	6	86%	1	14%
Salary Level 13	28	25	89%	3	11%
<b>TOTAL</b>	<b>38</b>	<b>33</b>	<b>86.8%</b>	<b>5</b>	<b>13.2%</b>

**Table 3.3.2: 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
Director-General/Head of Department	1	1	100%	0	0%
Salary Level 16/MEC	1	1	100%	0	0%
Salary Level 15	1	0	0%	1	100%
Salary Level 14	7	6	86%	1	14%
Salary Level 13	28	25	89%	3	11%
<b>TOTAL</b>	<b>38</b>	<b>34</b>	<b>89%</b>	<b>5</b>	<b>11%</b>

**Table 3.3.3: Advertising and filling of SMS posts for the period 1 April 2014 and 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
Director-General/Head of Department	1	1	100%	0	0%
Salary Level 16/MEC	1	1	100%	0	0%
Salary Level 15	1	0	0%	1	100%
Salary Level 14	7	6	86%	1	14%
Salary Level 13	28	25	89.3%	3	11%
<b>TOTAL</b>	<b>38</b>	<b>33</b>	<b>86.84%</b>	<b>5</b>	<b>13.16%</b>

**Table 3.3.4: Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2014 and 31 March 2015.**

Reasons for vacancies not advertised within six months
No suitable candidates applied for the posts.

Reasons for vacancies not filled within six months
Lack of suitable respondents to fill the posts.

**Table 3.3.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2014 and 31 March 2015.**

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within six months
None

### 3.4 Job Evaluation

**Table 3.4.1: Job Evaluation by Salary band for the period 1 April 2014 and 31 March 2015.**

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	522	0	0	0	0	0	0
Contract (Levels 6-8)	4	0	0	0	0	0	0
Contract (Levels 9-12)	5	0	0	0	0	0	0
Contract (Band A)	2	0	0	0	0	0	0
Contract (Band D)	1	1	100%	0	0	0	0
Skilled (Levels 3-5)	1 173	4	0.3%	2	50%	0	0
Highly skilled production (Levels 6-8)	998	8	0.8%	2	25%	1	12.5%
Highly skilled supervision (Levels 9-12)	253	5	2%	1	20%	1	20%
Senior Management Service Band A	26	2	7.7%	0	0	0	0
Senior Management Service Band B	7	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
<b>TOTAL</b>	<b>2 993</b>	<b>20</b>	<b>0.7%</b>	<b>5</b>	<b>25%</b>	<b>2</b>	<b>10%</b>

**Table 3.4.2: Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2014 and 31 March 2015.**

Beneficiaries	African	Asian	Coloured	White	Total
Female	3	0	0	0	3
Male	0	0	1	1	2
<b>TOTAL</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>5</b>
Employees with a disability	0	0	0	0	0

**Table 3.4.3: Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2014 and 31 March 2015.**

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
Human resources related, Permanent	1	11	12	Post was Job Evaluated at level 12 prior to the benchmark of level 11 being implemented.	4
<b>TOTAL</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Percentage of Total Employment	25	-	-	-	100%

**Table 3.4.4: Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2014 and 31 March 2015.**

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	1	0	0	0	1
<b>Total</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
Employees with a Disability	0	0	0	0	0



### 3.5 Employment Changes

**Table 3.5.1: Annual turnover rates by salary band for the period 1 April 2014 and 31 March 2015.**

Salary Band	Employment at Beginning of Period (April 2014)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2)	29	299	12	41.4%
Skilled (Levels 3-5)	1007	70	76	7.5%
Highly skilled production (Levels 6-8)	764	12	37	4.8%
Highly skilled supervision (Levels 9-12)	149	10	11	7.4%
Senior Management Service Band A	15	3	1	6.7%
Senior Management Service Band B	7	1	0	0
Senior Management Service Band C	1	0	0	0
Senior Management Service Band D	1	0	0	0
Contract (Levels 1-2)	1	1	0	0
Contract (Levels 3-5)	57	5	2	3.5%
Contract (Levels 6-8)	17	1	2	11.8%
Contract (Levels 9-12)	11	2	4	36.4%
Contract (Band A)	0	1	0	0
Contract (Band B)	1	0	0	0
Contract (Band D)	1	0	0	0
<b>TOTAL</b>	<b>2 061</b>	<b>405</b>	<b>145</b>	<b>7%</b>

**Table 3.5.2: Annual turnover rates by critical occupation for the period 1 April 2014 and 31 March 2015.**

Occupation	Employment at Beginning of Period (April 2014)	Appointments	Terminations	Turnover Rate
Administrative related	107	10	11	10.3%
All artisans in the building metal machinery	6	0	1	16.7%
Auxiliary and related workers	12	0	3	25%
Binding and related workers	1	0	0	0
Cleaners in offices, workshops	48	0	7	14.6%
Client information clerks (switchboard, receptionist, information clerks)	6	0	0	0
Communication and information related	2	0	0	0
Computer programmers	1	0	0	0
Electrical and electronics engineering technicians	3	0	0	0

Occupation	Employment at Beginning of Period (April 2014)	Appointments	Terminations	Turnover Rate
Engineering sciences related	19	5	3	15.8%
Engineers and related professionals	6	1	0	0
Finance and economics related	6	1	0	0
Financial and related professionals	35	2	3	8.6%
Financial clerks and credit controllers	424	16	20	4.7%
Head of Department	3	0	0	0
Housekeepers laundry and related workers	1	0	0	0
Human resources organisational development and related professionals	17	4	2	11.8%
Human resources clerks	17	1	2	11.8%
Human resources related	5	0	1	20%
Information technology related	1	0	0	0
Inspectors of apprentices works and vehicles	3	0	0	0
Language practitioners, interpreters and other communication officers	8	0	0	0
Library mail and related clerks	12	0	0	0
Light vehicle drivers	1	0	0	0
Logistical support personnel	18	1	0	0
Material-recording and transport clerks	8	1	2	25%
Messengers porters and deliverers	16	1	0	0
Other administrative and related clerks and organisers	165	6	9	5.5%
Other administrative policy and related officers	8	0	0	0
Other information technology personnel	16	2	0	0
Other occupations	3	1	0	0
Other printing trade workers	1	0	0	0
Regulatory inspectors	463	148	21	4.5%
Risk management and security services	1	0	0	0
Road superintendents	20	0	0	0
Road trade workers	1	0	0	0
Road workers	538	49	56	10.4%
Safety health and quality inspectors	0	1	0	0

Occupation	Employment at Beginning of Period (April 2014)	Appointments	Terminations	Turnover Rate
Secretaries and other keyboard operating clerks	17	7	1	5.9%
Security officers	16	143	2	12.5%
Senior managers	22	5	1	4.5%
Trade labourers	4	0	0	0
<b>TOTAL</b>	<b>2 061</b>	<b>405</b>	<b>145</b>	<b>7%</b>

**Table 3.5.3: Reasons why staff left the Department for the period 1 April 2013 and 31 March 2014.**

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total Employment
Death	18	12.4%	0.9%	2 061
Resignation	46	31.7%	2.2%	2 061
Expiry of contract	9	6.2%	0.4%	2 061
Dismissal - Operational changes	-	-	-	-
Dismissal - misconduct	4	2.8%	0.1%	2 061
Dismissal - inefficiency	-	-	-	-
Discharged due to ill health	3	2.1%	0.1%	2 061
Retirement	65	44.8%	3.2%	2 061
Transfer to other Public Service Departments	-	-	-	-
Other	-	-	-	-
<b>TOTAL</b>	<b>145</b>	<b>100%</b>	<b>7%</b>	
Total number of employees who left as a % of total employment	7%	-		

**Table 3.5.4: 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	107	8	7.5%	74	69.2%
All artisans in the building metal machinery	6	0	0	3	50%
Auxiliary and related workers	12	0	0	9	75%
Binding and related workers	1	0	0	1	100%
Cleaners in offices, workshops	48	0	0	41	85.4%

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
Client information clerks (switchboard, receptionists, information clerks)	6	0	0	1	16.7%
Communication and information related	2	0	0	1	50%
Computer programmers.	1	0	0	0	0
Electrical and electronics engineering technicians	3	1	33.3%	3	100%
Engineering sciences related	19	3	15.8%	11	57.9%
Engineers and related professionals	6	4	66.7%	5	83.3%
Finance and economics related	6	1	16.7%	2	33.3%
Financial and related professionals	35	0	0	23	65.7%
Financial clerks and credit controllers	424	24	5.7%	354	83.5%
Head of Department	3	0	0	2	66.7%
Housekeepers laundry and related workers	1	0	0	1	100%
Human resources and organisational development and related professionals	17	3	17.6%	9	52.9%
Human resources clerks	17	3	17.6%	10	58.8%
Human resources related	5	0	0	1	20%
Information technology related	1	2	200%	0	0
Inspectors of apprentices works and vehicles	3	0	0	3	100%
Language practitioners, interpreters and other communication officers	8	0	0	3	37.5%
Library mail and related clerks	12	0	0	2	16.7%
Light vehicle drivers	1	0	0	1	100%
Logistical support personnel	18	0	0	15	83.3%
Material-recording and transport clerks	8	0	0	6	75%
Messengers porters and deliverers	16	0	0	15	93.8%
Natural sciences related	0	1	0	0	0
Other administrative and related clerks and organisers	165	3	1.8%	91	55.2%



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
Other administrative policy and related officers	8	4	50%	5	62.5%
Other information technology personnel.	16	3	18.8%	11	68.8%
Other occupations	3	0	0	0	0
Other printing trade workers	1	0	0	0	0
Regulatory inspectors	463	5	1.1%	396	85.5%
Risk management and security services	1	0	0	1	100%
Road superintendents	20	0	0	18	90%
Road trade workers.	1	0	0	0	0
Road workers	538	0	0	483	89.8%
Secretaries and other keyboard operating clerks	17	0	0	7	41.2%
Security officers	16	0	0	12	75%
Senior managers	22	4	18.2%	9	40.9%
Trade labourers	4	0	0	4	100%
<b>TOTAL</b>	<b>2 061</b>	<b>69</b>	<b>3.3%</b>	<b>1 633</b>	<b>79.2%</b>

**Table 3.5.5: Promotions by salary band for the period 1 April 2014 and 31 March 2015.**

Salary Band	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
Lower skilled (Levels 1-2)	29	0	0	11	37.9%
Skilled (Levels 3-5)	1 007	3	0.3%	900	89.4%
Highly skilled production (Levels 6-8)	764	42	5.5%	606	79.3%
Highly skilled supervision (Levels 9-12)	149	18	12.1%	105	70.5%
Senior management (Levels 13-16)	24	6	25%	10	41.7%
Contract (Levels 1-2)	1	0	0	0	0
Contract (Levels 3-5)	57	0	0	0	0
Contract (Levels 6-8)	17	0	0	0	0
Contract (Levels 9-12)	11	0	0	1	9.1%
Contract (Levels 13-16)	2	0	0	0	0
<b>TOTAL</b>	<b>2 061</b>	<b>69</b>	<b>3.3%</b>	<b>1 633</b>	<b>79.2%</b>

### 3.6 Employment Equity

Table 3.6.1: Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2015.

Occupational Category	Male					Female					Total
	African	Coloured	Indian	Total	White	African	Coloured	Indian	Total	White	
Legislators, senior officials and managers	23	1	0	25	1	5	0	0	6	1	31
Professionals	58	2	1	65	4	43	0	0	53	10	118
Technicians and associate professionals	85	4	0	106	17	39	3	0	50	8	156
Clerks	187	5	0	199	7	346	12	0	453	95	652
Service and sales workers	379	22	0	436	35	294	12	0	308	2	744
Craft and related trades workers	18	0	0	26	8	5	0	0	5	0	31

Occupational Category	Male					Female					Total
	African	Coloured	Indian	Total	White	African	Coloured	Indian	Total	White	
Plant and machine operators and assemblers	3	0	0	3	0	0	0	0	0	0	3
Elementary occupations	458	8	0	474	8	123	0	0	123	0	597
Other	1	0	0	1	0	0	0	0	0	0	1
<b>TOTAL</b>	<b>1 212</b>	<b>42</b>	<b>1</b>	<b>1 335</b>	<b>80</b>	<b>855</b>	<b>27</b>	<b>0</b>	<b>998</b>	<b>116</b>	<b>2 333</b>
Employees with disabilities	4	0	0	5	1	3	0	0	4	1	9

**Table 3.6.2: 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	Total	White	African	Coloured	Indian	Total	White	
Top Management	1	0	0	1	0	0	0	0	0	0	1
Senior Management	19	1	0	23	3	6	0	0	7	1	30
Professionally qualified and experienced specialists and mid-management	93	3	1	113	16	37	1	0	49	11	162
Skilled technical and academically qualified workers, junior management, supervisors, foremen	352	21	0	427	54	259	13	0	358	86	785
Semi-skilled and discretionary decision making	582	16	0	601	3	402	11	0	431	18	1032

Occupational band	Male					Female					Total
	African	Coloured	Indian	Total	White	African	Coloured	Indian	Total	White	
Unskilled and defined decision making	158	1	0	163	4	146	2	0	148	0	311
Contract (Top Management)	1	0	0	1	0	0	0	0	0	0	1
Contract (Senior Management)	2	0	0	2	0	0	0	0	0	0	2
Contract (Professionally qualified)	2	0	0	2	0	3	0	0	3	0	5
Contract (Skilled technical)	2	0	0	2	0	2	0	0	2	0	4
<b>TOTAL</b>	<b>1 212</b>	<b>42</b>	<b>1</b>	<b>1 335</b>	<b>80</b>	<b>855</b>	<b>27</b>	<b>0</b>	<b>998</b>	<b>116</b>	<b>2 333</b>

**Table 3.6.3: Recruitment for the period 1 April 2014 to 31 March 2015.**

Occupational band	Male					Female					Total
	African	Coloured	Indian	Total	White	African	Coloured	Indian	Total	White	
Senior Management	0	0	1	1	0	3	0	0	3	0	4
Professionally qualified and experienced specialists and mid-management	8	0	0	8	0	2	0	0	2	0	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen	6	0	0	6	0	6	0	0	6	0	12
Semi-skilled and discretionary decision making	34	0	0	34	0	36	0	0	36	0	70



Occupational band	Male					Female					Total
	African	Coloured	Indian	Total	White	African	Coloured	Indian	Total	White	
Unskilled and defined decision making	150	1	0	155	4	142	2	0	144	0	299
Contract (Senior Management)	1	0	0	1	0	0	0	0	0	0	1
Contract (Professionally qualified)	1	0	0	1	0	1	0	0	1	0	2
Contract (Skilled technical)	1	0	0	1	0	0	0	0	0	0	1
Contract (Semi-skilled)	2	0	0	2	0	3	0	0	3	0	5
Contract (Unskilled)	0	0	0	0	0	1	0	0	1	0	1
<b>TOTAL</b>	<b>203</b>	<b>1</b>	<b>1</b>	<b>209</b>	<b>4</b>	<b>194</b>	<b>2</b>	<b>0</b>	<b>196</b>	<b>0</b>	<b>405</b>
Employees with disabilities	1	0	0	1	0	0	0	0	0	0	1

**Table 3.6.4: Promotions for the period 1 April 2014 to 31 March 2015.**

Occupational band	Male					Female					Total
	African	Coloured	Indian	Total	White	African	Coloured	Indian	Total	White	
Senior Management	11	0	0	14	3	2	0	0	2	0	16
Professionally qualified and experienced specialists and mid-management	68	3	1	85	13	29	1	0	38	8	123
Skilled technical and academically qualified workers, junior management, supervisors, foremen	307	21	0	376	48	218	10	0	272	44	648

Occupational band	Male					Female					Total
	African	Coloured	Indian	Total	White	African	Coloured	Indian	Total	White	
Semi-skilled and discretionary decision making	533	14	0	550	3	324	10	0	353	19	903
Unskilled and defined decision making, Permanent	2	0	0	2	0	9	0	0	9	0	11
Contract (Professionally qualified)	1	0	0	1	0	0	0	0	0	0	1
<b>TOTAL</b>	<b>922</b>	<b>38</b>	<b>1</b>	<b>1 028</b>	<b>67</b>	<b>582</b>	<b>21</b>	<b>0</b>	<b>674</b>	<b>71</b>	<b>1 702</b>
Employees with disabilities	4	0	0	5	1	2	0	0	3	1	8

**Table 3.6.5: Terminations for the period 1 April 2014 to 31 March 2015.**

Occupational band	Male					Female					Total
	African	Coloured	Indian	Total	White	African	Coloured	Indian	Total	White	
Senior Management	1	0	0	1	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	6	0	0	8	2	2	0	0	3	1	11
Skilled technical and academically qualified workers, junior management, supervisors, foremen	13	6	0	26	7	4	0	0	11	7	37
Semi-skilled and discretionary decision making	58	1	0	59	0	13	1	0	17	3	76
Unskilled and defined decision making	5	0	0	6	1	6	0	0	6	0	12

Occupational band	Male					Female					Total
	African	Coloured	Indian	Total	White	African	Coloured	Indian	Total	White	
Contract (Professionally qualified)	1	0	0	1	0	3	0	0	3	0	4
Contract (Skilled technical)	1	0	0	1	0	1	0	0	1	0	2
Contract (Semi-skilled)	2	0	0	2	0	0	0	0	0	0	2
<b>TOTAL</b>	<b>87</b>	<b>7</b>	<b>0</b>	<b>104</b>	<b>10</b>	<b>29</b>	<b>1</b>	<b>0</b>	<b>41</b>	<b>11</b>	<b>145</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

**Table 3.6.6: Disciplinary action for the period 1 April 2014 to 31 March 2015.**

Disciplinary action	Male					Female					Total
	African	Coloured	Indian	Total	White	African	Coloured	Indian	Total	White	
<b>TOTAL</b>	<b>29</b>	<b>1</b>	<b>0</b>	<b>34</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>3</b>	<b>39</b>

**Table 3.6.7: Skills development for the period 1 April 2014 to 31 March 2015.**

Occupational category	Male					Female					Total
	African	Coloured	Indian	Total	White	African	Coloured	Indian	Total	White	
Legislators, Senior Officials and Managers	77	2	0	97	18	25	0	0	34	9	131
Professionals	1	0	0	1	0	1	0	0	1	0	2
Technicians and Associate Professionals	8	0	0	8	0	0	0	0	0	0	8
Clerks	48	0	0	49	1	83	0	0	92	9	141
Service and Sales Workers	0	0	0	0	0	3	0	0	3	0	3
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary Occupations	77	0	0	88	11	13	0	0	15	2	103
<b>TOTAL</b>	<b>211</b>	<b>2</b>	<b>0</b>	<b>243</b>	<b>0</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>145</b>	<b>20</b>	<b>388</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0



### 3.7 Signing of Performance Agreements by SMS Members

**Table 3.7.1: Signing of Performance Agreements by SMS members as on 31 May 2015.**

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	1	Political Office Bearer	Political Office Bearer	Political Office Bearer
Salary Level 15	1	0	0	0%
Salary Level 14	7	5	5	100%
Salary Level 13	27	16	16	100%
<b>Total</b>	<b>37</b>	<b>22</b>	<b>22</b>	<b>100%</b>

**Table 3.7.2: Reasons for not having concluded performance agreements for all SMS members as on 31 March 2015.**

Reasons
None to report

**Table 3.7.3: Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 March 2015.**

Reasons
None to report

### 3.8 Performance rewards

**Table 3.8.1: Performance rewards by race, gender and disability for the period 1 April 2014 and 31 March 2015.**

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	257	852	30.2%	1 972	7 674
African, Male	368	1 208	30.5%	2 880	7 825
Asian, Male	0	1	0	0	0
Coloured, Female	11	27	40.7%	91	8 255
Coloured, Male	20	42	47.6%	198	9 885
Total Blacks, Female	268	879	30.5%	2 063	7 698
Total Blacks, Male	388	1 251	31%	3 077	7 931
White, Female	84	115	73%	839	9 989
White, Male	44	79	55.7%	575	13 065
Employees with a disability	4	9	44.4%	29	7 194
<b>TOTAL</b>	<b>788</b>	<b>2 333</b>	<b>33.8%</b>	<b>6 583</b>	<b>8 354</b>

**Table 3.8.2: Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2014 and 31 March 2015.**

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	7	310	2.3%	27	3 857
Skilled (Levels 3-5)	319	1 032	30.9%	1 677	5 257
Highly skilled production (Levels 6-8)	377	786	48%	3 294	8 737
Highly skilled supervision (Levels 9-12)	82	162	50.6%	1478	18 024
Contract (Levels 6-8)	1	4	25%	10	10,000
Contract (Levels 9-12)	2	5	40%	0	0
<b>TOTAL</b>	<b>788</b>	<b>2 299</b>	<b>34.3%</b>	<b>6 486</b>	<b>8 252</b>

**Table 3.8.3: Performance rewards by critical occupation for the period 1 April 2014 and 31 March 2015.**

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	48	114	42.1%	889	18 521
All artisans in the building metal machinery etc.	2	5	40%	11	5 500
Auxiliary and related workers	5	9	55.6%	30	6 000
Binding and related workers	0	1	0	0	0
Cleaners in offices workshops hospitals etc.	16	49	32.7%	67	4 188
Client information clerks( switch-board, receptionists, information clerks)	0	6	0	0	0
Communication and information related	1	2	50%	35	35 000
Computer programmers.	1	1	100%	11	11 000
Electrical and electronics engineering technicians	2	3	66.7%	21	10 500
Engineering sciences related	9	19	47.4%	135	15 000
Engineers and related professionals	5	7	71.4%	163	32 600
Finance and economics related	1	5	20%	13	13 000
Financial and related professionals	15	34	44.1%	178	11 867
Financial clerks and credit controllers	156	419	37.2%	1 047	6 712
Head of Department	0	1	0	0	0
Housekeepers laundry and related workers	1	1	100%	11	11 000
Human resources and organisational development and related professionals	9	19	47.4%	91	10 111
Human resources clerks	10	13	76.9%	67	6 700
Human resources related	1	4	25%	19	19 000
Information technology related	1	3	33.3%	14	14 000
Inspectors of apprentices works and vehicles	1	4	25%	11	11 000
Language practitioners, interpreters and other communication officers	0	8	0	0	0
Library mail and related clerks	0	16	0	0	0

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Light vehicle drivers	2	3	66.7%	10	5 000
Logistical support personnel	13	18	72.2%	134	10 308
Material-recording and transport clerks	4	8	50%	18	4 500
Messengers porters and deliverers	9	16	56.3%	41	4 556
Natural sciences related	0	1	0	0	0
Other administrative and related clerks and organisers	96	170	56.5	754	7 854
Other administrative policy and related officers	8	10	80%	83	10 375
Other information technology personnel.	6	16	37.5%	51	8,500
Other occupations	2	3	66.7%	41	20 500
Other printing trade workers	1	1	100%	5	5 000
Rank: Other non-specified	0	1	0	0	0
Regulatory inspectors	169	584	28.9%	1 436	8 497
Risk management and security services	0	1	0	0	0
Road superintendents	16	19	84.2%	181	11 313
Road trade workers.	0	1	0	0	0
Road workers	158	525	30.1%	785	4 968
Safety health and quality inspectors	0	1	0	0	0
Secretaries & other keyboard operating clerks	9	20	45%	86	9 556
Security officers	8	158	5.1%	44	5 500
Senior managers	2	29	6.9%	97	48 500
Trade labourers	1	5	20%	4	4 000
<b>TOTAL</b>	<b>788</b>	<b>2 333</b>	<b>33.8%</b>	<b>6 583</b>	<b>8 354</b>



**Table 3.8.4: Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2014 and 31 March 2015.**

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	2	26	7.7%	97	48 500	0.4%	21 624
Band B	0	6	0	0	0	0	0
Band D	0	2	0	0	0	0	0
<b>TOTAL</b>	<b>2</b>	<b>34</b>	<b>5.9%</b>	<b>97</b>	<b>48 500</b>	<b>0.4%</b>	<b>21 624</b>

### 3.9 Foreign Workers

**Table 3.9.1 Foreign workers by salary band for the period 1 April 2014 and 31 March 2015**

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Highly skilled production (Levels 6-8)	1	100	1	100	0	0	1	1	0
<b>TOTAL</b>	<b>1</b>	<b>100</b>	<b>1</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>

**Table 3.9.2: Foreign workers by major occupation for the period 1 April 2014 and 31 March 2015.**

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Professionals and managers	1	100	1	100	0	0	1	1	0
<b>TOTAL</b>	<b>1</b>	<b>100</b>	<b>1</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>

### 3.10 Leave utilisation

**Table 3.10.1: 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)	Total number of Employees using Sick Leave	Total number of days with medical certification
Lower skilled (Levels 1-2)	105	95.2%	15	1%	7	42	1 448	100
Skilled (Levels 3-5)	5 163	88.8%	669	46.2%	8	3 075	1 448	4 583
Highly skilled production (Levels 6-8)	4 864	86%	632	43.6%	8	4 535	1 448	4 181
Highly skilled supervision (Levels 9-12)	828	83.3%	115	7.9%	7	1,430	1 448	690
Senior management (Levels 13-16)	63	92.1%	11	0.8%	6	213	1 448	58
Contract (Levels 3-5)	5	60%	1	0.1%	5	3	1 448	3
Contract (Levels 6-8)	1	0	1	0.1%	1	1	1 448	0
Contract (Levels 9-12)	18	88.9%	3	0.2%	6	46	1 448	16
Contract (Levels 13-16)	2	0	1	0.1%	2	6	1 448	0
<b>TOTAL</b>	<b>11 049</b>	<b>87.2%</b>	<b>1 448</b>	<b>100%</b>	<b>8</b>	<b>9 351</b>	<b>1 448</b>	<b>9 631</b>

**Table 3.10.2: 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)	Total number of days with medical certification	Total number of Employees using Disability Leave
Skilled (Levels 3-5)	453	100%	15	36.6%	30	262	453	41
Highly skilled production (Levels 6-8)	1138	100%	19	46.3%	60	1 071	1138	41
Highly skilled supervision (Levels 9-12)	218	100%	7	17.1%	31	390	218	41
<b>TOTAL</b>	<b>1 809</b>	<b>100%</b>	<b>41</b>	<b>100%</b>	<b>44</b>	<b>1 723</b>	<b>1 809</b>	<b>41</b>

**Table 3.10.3: Annual Leave for the period 1 January 2014 to 31 December 2014.**

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	475	21	23
Skilled (Levels 3-5)	24 984.59	24	1 033
Highly skilled production (Levels 6-8)	17 990.17	23	798
Highly skilled supervision (Levels 9-12)	3 940.92	24	165
Senior management (Levels 13-16)	517	18	28
Contract (Levels 3-5)	36	18	2
Contract (Levels 6-8)	17	4	4
Contract (Levels 9-12)	58	12	5
Contract (Levels 13-16)	15	5	3
<b>TOTAL</b>	<b>48 033.68</b>	<b>23</b>	<b>2 061</b>

**Table 3.10.4: Capped leave for the period 1 January 2014 to 31 December 2014.**

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2014	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2014	Number of Employees as at 31 December 2014
Skilled (Levels 3-5)	54	4	71	14	39 751	563
Highly skilled production (Levels 6-8)	82	5	56	15	17 860	321
Highly skilled supervision (Levels 9-12)	13	13	83	1	6 209	75
<b>TOTAL</b>	<b>149</b>	<b>5</b>	<b>67</b>	<b>30</b>	<b>63 820</b>	<b>959</b>

**Table 3.10.5: Leave payouts for the period 1 April 2014 and 31 March 2015.**

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Capped leave payouts on termination of service for 2014/15	5 996	97	6 1814
Current leave payout on termination of service for 2014/15	309	45	6 867
<b>TOTAL</b>	<b>6 305</b>	<b>142</b>	<b>44 401</b>

### 3.11 HIV/AIDS & Health Promotion Programmes

**Table 3.11.1: Steps taken to reduce the risk of occupational exposure.**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Employees that are not office bound	Distribution of female and male condoms, education and awareness

**Table 3.11.2: Details of Health Promotion and HIV/AIDS Programmes**

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		Director OHRD.
2. Does the Department have a dedicated unit or have you designated specific staff members to promote health and wellbeing 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		7 Officials with budget of R546 000.00



Question	Yes	No	Details, if yes
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	Yes		Financial Management, Health and Safety, Risk Management, HIV & Aids and TB Management and counselling.
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		HIV AIDS, Peer educators district committees.
5. Has the Department reviewed the employment policies and practices of your department 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 policies are non-discriminative.
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		Employee Assistance Programme and Health and Safety.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		Females 94; Male 154
8. Has the Department developed measures/indicators to monitor and evaluate the impact of your health promotion programme? If so, list these measures/indicators.		No	Not applicable.

### 3.12 Labour Relations

**Table 3.12.1: Collective agreements for the period 1 April 2014 and 31 March 2015.**

Total number of Collective agreements	None
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**Table 3.12.2: Misconduct and disciplinary hearings finalised for the period 1 April 2014 and 31 March 2015.**

Outcomes of Disciplinary Hearings	Number	Percentage of Total
Written warning	5	45.45%
Final Written Warning	2	18.18%
Dismissals	4	27.27%
Not guilty	1	9.09%
<b>TOTAL</b>	<b>12</b>	<b>100%</b>
Total number of Disciplinary Hearings finalised		7

**Table 3.12.3: Types of misconduct addressed at disciplinary hearings for the period 1 April 2014 and 31 March 2015.**

Type of misconduct	Number	Percentage of Total
Fraud and Corruption	1	8.33%
Theft and Gross negligence	1	8.33%
Dereliction of duties	1	8.33%
Theft of State Money	3	25. %
Absenteeism	1	8.33%
Theft of Face Value Forms	2	16.67%
Insolence and misrepresentation	3	25%
<b>TOTAL</b>	<b>12</b>	<b>100%</b>

**Table 3.12.4: Grievances logged for the period 1 April 2014 and 31 March 2015.**

Number of grievances addressed	Number	Percentage of Total
Interpretation/application	7	17.5%
PDMS	14	35%
Unfair Labour Practice	11	27.5%
Unfair Suspension/ Disciplinary Action	3	7.5%
Unfair Dismissal	2	5%
Disclosure of information	3	7.5%
<b>TOTAL</b>	<b>40</b>	<b>100%</b>

**Table 3.12.5: Disputes logged with Councils for the period 1 April 2014 and 31 March 2015.**

Number of disputes addressed	Number	% of total
Upheld	7	23.3%
Dismissed	23	76.7%
<b>TOTAL</b>	<b>30</b>	<b>100%</b>

**Table 3.12.6: Strike actions for the period 1 April 2014 and 31 March 2015.**

Strike Actions	
Total number of person working days lost	0
Total cost(R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

**Table 3.12.7: Precautionary suspensions for the period 1 April 2014 and 31 March 2015.**

Precautionary Suspensions	
Number of people suspended	10
Number of people whose suspension exceeded 30 days	10
Average number of days suspended	213
Cost (R'000) of suspensions	1 904 925

### 3.13 Skills development

**Table 3.13.1: Training needs identified for the period 1 April 2014 and 31 March 2015.**

Occupational Category	Gender	Employment	Learner-ships	Skills Pro-grammes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	14	0	14
	Male	0	0	12	0	12
Professionals	Female	0	0	5	0	5
	Male	0	0	4	0	4
Technicians and associate professionals	Female	0	0	33	0	33
	Male	0	0	44	0	44
Clerks	Female	0	0	316	0	316
	Male	0	0	168	0	168
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	62	0	62
	Male	0	0	6	0	6
Gender sub totals	Female	0	0	430	0	430
	Male	0	0	234	0	234
<b>TOTAL</b>		<b>0</b>	<b>0</b>	<b>664</b>	<b>0</b>	<b>664</b>

**Table 3.13.2: Training provided for the period 1 April 2014 and 31 March 2015**

Occupational Categories	Gender	Employment	Learnership	Skills Pro-grammes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	34	0	34
	Male	0	0	97	0	97
Professionals	Female	0	0	1	0	1
	Male	0	0	1	0	1
Technicians and associate professionals	Female	0	0	3	0	3
	Male	0	0	8	0	8
Clerks	Female	0	0	92	0	92
	Male	0	0	49	0	49
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	15	0	15
	Male	0	0	88	0	88
Gender sub totals	Female	0	0	145	0	145
	Male	0	0	243	0	243
<b>TOTAL</b>		<b>0</b>	<b>0</b>	<b>388</b>	<b>0</b>	<b>388</b>



### 3.14 Injury on duty

**Table 3.14.1 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	0	0
Temporary Total Disablement	2	66.7%
Permanent Disablement	0	0
Fatal	1	33.3%
<b>TOTAL</b>	<b>3</b>	<b>100%</b>

### 3.15 Utilisation of Consultants

**Table 3.15.1: 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
<b>Administration Consultants</b>			
Ernst & Young [E&Y]	1 consultant	183 days	773 718
PhatsoaneHenney Attorneys [Labour]	1 consultant	365 days	186 614
Malebogo Maeyane Attorneys[Labour]	1 consultant	365 days	82 500
Investigations chairing disciplinary hearings and prosecuting: <ul style="list-style-type: none"> <li>JB Mtembu Attorneys</li> <li>Mashego Attorneys</li> <li>Lebea &amp; Associates</li> <li>SMOSeobe Attorneys</li> </ul>	4 consultants	1 464 days	772 382
Beetle Breeze [Labour]	1 consultant	365 days	689 882
Ncholu Consulting & Advisory Services SMS Performance Assessments	1 consultant	6 days	489 594
<b>Transport Consultants</b>			
Siyazi Transport Services Development of Integrated Transport Plans in Lejweleputswa and Fezile Dabi	1 consultant	730 days	5 977 600
Ramathe & Ranti JV (RRJV) Monitoring and supervision of subsidised passenger transport services	1 consultant	365 days	2 496 320

Project Title	Total number of consultants that worked on project	Duration (work days)	Contract Value
Umfundu Company Trompsburg Transport Centre [Taxi rank]	1 consultant	730 days	4 570 105
Safiri Project Management Harrismith Logistical Hub	1 consultant	365 days	832 611
Abucus Economic Workstream Harrismith Logistical Hub	1 consultant	730 days	1 400 000
Arup Logistics Workstream Harrismith Logistical Hub	1 consultant	365 days	1 165 754
Morar Financial Workstream Harrismith Logistical Hub	1 consultant	365 days	1 973 226
Gibb Technical Workstream Harrismith Logistical Hub	1 consultant	730 days	311 220
<b>Traffic Consultants</b>			
Caswell Mthombeni Programme Implementing Agent on Traffic and Road Safety Projects	1 consultant	1 096 days	6 208 767
Khoete Investment Training of Government Drivers	1 consultant	730 days	30 720 000
Ben Ben Installation of static cameras	1 consultant	730 days	5 819 490.59
Truvello Installation of static cameras	1 consultant	730 days	6 700 000
Workshop Electronics Upgrading of testing stations	1 consultant	730 days	2 000 000

Project Title	Total number of consultants that worked on project	Duration (work days)	Contract Value
<b>Consulting Engineers on Major Roads Projects</b>			
VNA Mentors Contractor Development Programme (CDP) & Project Management	1 consultant	1 096 days	10%
VNA Consulting Engineers KROONSTAD THROUGH ROUTE	1 consultant	1 096 days	10%
VNA Consulting Engineers HARRISMITH - OLIVIERSHOEK PASS	1 consultant	= 1 096 days	10%
MILETUS Consulting Engineers BORROW PITS/QUARRIES	1 consultant	700 days	14 820 000
MOT Professional Consulting Engineers –MEADOWS ROAD A57	1 consultant	730 days	7 762 500
MOT Professional Consulting Engineers MILLING & FOG SPRAY XHARIEP & MOTHEO	1 consultant	730 days	10%
Nakeni Engineers MILLING & FOG SPRAY THABO MOFUTSAN-YANA	1 consultant	1 096 days	10%
Proper Engineers MILLING & FOG SPRAY LEJWELEPUTSWA	1 consultant	1 096 days	5 000 000
MolproCon EPWP Projects [ThaNchu Qwa-Qwa Botshabelo]	1 consultant	1 096 days	10%
MolproCon Milling sealing & Fog spray (Fezile Dabi)	1 consultant	1 096 days	10%
SELATILE Moloi Consulting Engineers VREDE TRANSPORT CENTRE	4 individuals	548 days	23 000 000
MolproCon BLUE GUM BOSCH	1 consultant	487 days	1 500 000

Project Title	Total number of consultants that worked on project	Duration (work days)	Contract Value
MolproCon BOTSHABELO TRANSPORT ROUTE	1 consultant	548 days	6 262 772
MolproCon MILLING & FOG SPRAY FEZILE DABI	1 consultant	1 096 dyas	5 000 000
MolproCon THABA NCHU PUBLIC TRANSPORT ROUTE	1 consultant	487 dyas	45 000 000
<b>Continuing projects</b>			
Harrismith Logistics Hub	5 consultans	730 days	12 130 642
REITZ - KESTELL	1 consultant	548 days	10 500 000
VREDE - MEMEL	1 consultant	548 days	13 000 000
MEMEL – BOTHAS PASS	1 consultant	548 days	6 700 000
ROUTE 4	1 consultant	181 days	3 000 000
BORROW PITS/QUARRIES	1 consultant	1095 days	14 820 000
ZASTRON - WEPENER	1 consultant	365 days	12 000 000
KROONSTAD - VREDEFORT	1 consultant	548 days	7 000 000
BLUE GUM BOSCH	1 consultant	487 days	1 500 000
BOTSHABELO TRANSPORT ROUTE	1 consultant	548 days	6 262 772
MILLING & FOG SPRAY FEZILE DABI	1 consultant	1 095 days	5 000 000
THABA NCHU PUBLIC TRANSPORT ROUTE	1 consultant	487 days	45 000 000
Molpro CLOCOLAN – MARQUARD	1 consultant	915 dyas	7 000 000
SADC Consulting Engineers ORANJEVILLE BRIDGE	1 consultant 100% BLACK	730 days	3 059 000 10%

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
Preparation of financial statements and capacity support [ E&Y] (1)	1 consultant	183 days	773 718
Monitoring and supervision of subsidised passenger transport services	1 consultant	365 days	2 496 320
SMS Performance Assessment	1 consultant	6 days	489 594



Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
Development of Integrated Transport Plans in Lejweleputswa and Fezile Dabi	1 consultant	730 days	5 977 600
Harrismith Logistics Hub	5 consultants	730 days	12 130 642
Melitus REITZ - KESTELL	1 consultant	1 034 days	10 500 000
Melitus VREDE - MEMEL	1 consultant	548 days	13 000 000
Melitus MEMEL - BOTHASPASS	1 consultant	548 days	6 700 000
MolPro, ROUTE 4	1 consultant	181 days	3 000 000
MolPro ZASTRON - WEPENER	1 consultant	365 days	12 000 000
Moltro KROONSTAD - VREDEFORT	1 consultant	548 days	7 000 000
CLOCOLAN - MARQUARD	1 consultant	915 days	7 000 000
Nakeni Engineers MILLING & FOG SPRAY XHARIEP & MOTHEO	1 consultant	1 095 days	5 000 000

**Table 3.15.2: 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
Ernst & Young [E&Y] Preparation of financial statements and capacity support	31%	31%	0%
Phatsoane Henney Attorneys [Labour]	100%	100%	100%
Malebogo Maeyane Attorneys [Labour]	100%	100%	100%
Investigations, chairing disciplinary hearings and prosecuting: <ul style="list-style-type: none"> <li>JB Mtembu Attorneys</li> <li>Maeyane Attorneys</li> <li>Lebea &amp; Associates</li> <li>SMOSeobe Attorneys</li> </ul>	100%	100%	100%
Ncholu Consulting & Advisory Services SMS Performance Assessment	100%	100%	100%
Ramathe & Ranti JV (RRJV) Monitoring and supervision of subsidised passenger transport services	100%	100%	100%
Caswell Mthombeni Programme Implementing Agent on Traffic and Road Safety Projects	100%	100%	100%
Umfundu Company Trompsburg Transport Centre [Taxi rank]	60%	60%	60%
Safiri Project Management Harrismith Logistical Hub	100%	100%	100%
Abucus Economic Workstream Harrismith Logistical Hub	100%	100%	100%
Arup Logistics Workstream Harrismith Logistical Hub	30%	30%	30%

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Morar Financial Workstream Harrismith Logistical Hub	100%	100%	100%
Gibb Technical Workstream Harrismith Logistical Hub	66%	66%	66%
Khoete Investment Training of Government Drivers	100%	100%	100%
Ben Ben Installation of law enforcement (Be horn)	0%	0%	0%
Truvello Installation of static cameras	0%	0%	0%
Workshop Electronics Upgrading of testing stations	10%	50%	0%
VNA Mentors Contractor Development Programme (CDP) & Project Management	100%	50%	6%
VNA Consulting Engineers KROONSTAD THROUGH ROUTE	4 100%	50%	50%
VNA Consulting Engineers HARRISMITH - OLIVIERSHOEK PASS	4 100%	50%	50%
MILETUS Consulting Engineers BORROW PITS/QUARRIES	0%	0%	0%
MOT Professional Consulting Engineers –MEADOWS ROAD A57	100%	100%	10%
Nakeni Engineers MILLING & FOG SPRAY THABO MOFUTSAN-YANA	50%	50%	50%
Proper Engineers MILLING & FOG SPRAY LEJWELEPUTSWA	100%	100%	100%

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
MolproCon EPWP Projects [ThaNchu, Qwa-Qwa, Botshabelo]	100%	100%	100%
MolproCon Milling, sealing & Fog spray (Fezile Dabi)	100%	100%	100%
SELATILE Moloi Consulting Engineers VREDE TRANSPORT CENTRE	10%	10%	10%
MolproCon BLUE GUM BOSCH	100%	100%	100%
MolproCon BOTSHABELO TRANSPORT ROUTE	10%	100%	100%
MolproCon THABA NCHU PUBLIC TRANSPORT ROUTE	10%	100%	100%

**Table 3.15.3: Report on consultant appointments using donor funds for the period 1 April 2014 and 31 March 2015.**

DESCRIPTION OF SERVICE	Total number of consultants that worked on project	Durations (work days)	Contract Value
Programme Implementing Agent on Traffic and Road Safety Projects	1 consultant	1 096 days	As per fund availability

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
Programme Implementing Agent on Traffic and Road Safety Projects	1 consultant	1 096 days	Allocated, per fund availability



**Table 3.15.4: Analysis of consultant appointments using Donor 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
Programme Implementing Agent on Traffic and Road Safety Projects.	100%	100%	100%

### 3.16 Severance Packages

**Table 3.16.1: Granting of employee initiated severance packages for the period 1 April 2014 and 31 March 2015.**

Category	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of Packages approved by Department
Lower Skilled (Salary Level 1-2)	0	0	0	0
Skilled (Salary Level 3-5)	0	0	0	0
Highly Skilled Production (Salary Level 6-8)	0	0	0	0
Highly Skilled Production (Salary Level 9-12)	0	0	0	0
Senior Management (Salary Level 13 and higher)	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# PART E

FINANCIAL  
INFORMATION





## Report of the Auditor-General to the Free State Legislature on Vote 10: Department of Police, Roads and Transport

### Report on the financial statements

#### Introduction

1. I have audited the financial statements of the Department of Police, Roads and Transport set out on pages 140 to 244 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 the financial statements in accordance with the Modified Cash Standard prescribed by the National Treasury the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 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 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 entity'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 entity'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 audit opinion.

#### Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Police, Roads and Transport as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard prescribed by the National Treasury and the requirements of the PFMA and DoRA.

### Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### Significant uncertainty

8. As disclosed in note 19 to the financial statements, the department is the defendant in lawsuit claims amounting to R128 421 000 (2014: R165 098 000). The department is opposing these claims. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

### Restatement of corresponding figures

9. As disclosed in note 35 to the financial statements, the corresponding figures for 2013-14 have been restated as a result of errors discovered during 2014-15 financial statements of the department at, and for the year ended, 31 March 2014.

### Financial sustainability

10. As disclosed in note 36 to the financial statements, the department had certain financial commitments at 31 March 2015. These conditions, along with other matters as set forth in the note, indicate material uncertainties related to events or conditions that may cause significant doubt on the department's ability to meet its financial obligations as they fall due and to achieve its service delivery objectives as outlined in the annual performance plan.

### Report on other legal and regulatory requirements

11. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004), (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-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

12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2015:
- Programme 5: Transport Regulation on pages 58 to 64
  - Programme 6: Transport Infrastructure on pages 65 to 69
  - Fleet Management Trading Entity on pages 245 to 300
13. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
14. 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.



15. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. The material finding in respect of the selected programmes is as follow:

#### **Usefulness of reported performance information**

17. Treasury regulation 5.2.4 requires the annual performance plan to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 100% of the reported objectives, indicators and targets were not consistent with those in the approved annual performance plan. This was because the objectives, indicators and targets of the trading entity are not included in the annual performance plan or the annual operating plan of the department.

#### **Additional matter**

18. Although I raised no material findings on the reliability of the reported performance information for the selected programmes I draw attention to the following matter :

#### **Achievement of planned targets**

19. Refer to the annual performance report on pages 32 to 69 and 256 to 257 for information on the achievement of the planned targets for the year.

#### **Compliance with legislation**

20. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

#### **Annual financial statements**

21. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the PFMA. Material misstatements of expenditure, immovable assets and contingent liabilities identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

#### **Internal control**

22. 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 findings on the annual performance report and compliance with legislation included in this report.

**Leadership**

23. Oversight responsibility regarding financial reporting was not always adequately exercised, as a repeat finding that prevented the department from improving its audit outcomes were raised in the current year due to slow response by management to address the material adjustments made to the financial statements. Management also omitted to include the planned objectives for the trading entity which is under their control due to lack of oversight over the annual performance plan and the operational plan of the department.

**Financial and performance management**

24. Controls implemented by management over the preparation of the annual financial statements were not always effective, as all supporting documentation were not adequately reviewed and verified against the information reported in the financial statements due to vacancies within the finance section of the department. This subsequently resulted in material non-compliance.

*Auditor - General*

**Bloemfontein**

**31 July 2015**



**AUDITOR - GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*





# ANNUAL FINANCIAL STATEMENTS

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Appropriation per programme									
APPROPRIATION STATEMENT	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>1. ADMINISTRATION</b>									
Current payment	209 429	(920)	-	208 509	207 582	927	99.6%	185 497	181 784
Transfers and subsidies	335	-	-	335	348	(13)	104.0%	426	779
Payment for capital assets	4 151	920	-	5 071	5 778	(707)	113.9%	10 490	5 020
	<b>213 915</b>	<b>-</b>	<b>-</b>	<b>213 915</b>	<b>213 708</b>	<b>207</b>	<b>99.9%</b>	<b>196 413</b>	<b>187 583</b>
<b>2. CIVILIAN OVERSIGHT</b>									
Current payment	8 944	-	-	8 944	8 256	688	92.3%	8 354	7 951
Transfers and subsidies	60	-	-	60	60	-	100.0%	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
	<b>9 004</b>	<b>-</b>	<b>-</b>	<b>9 004</b>	<b>8 316</b>	<b>688</b>	<b>92.4%</b>	<b>8 354</b>	<b>7 951</b>
<b>3. CRIME PREVENTION AND COMMUNITY, POLICE RELATIONS</b>									
Current payment	15 451	-	-	15 451	15 536	(85)	100.6%	11 609	10 380
Transfers and subsidies	60	-	-	60	-	60	-	163	54
Payment for capital assets	-	-	-	-	-	-	-	50	26
	<b>15 511</b>	<b>-</b>	<b>-</b>	<b>15 511</b>	<b>15 536</b>	<b>(25)</b>	<b>100.2%</b>	<b>11 822</b>	<b>10 460</b>



DEPARTMENT OF POLICE, ROADS AND TRANSPORT  
VOTE10  
APPROPRIATION STATEMENT  
for the year ended 31 March 2015

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APPROPRIATION STATEMENT	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>4. TRANSPORT OPERATION</b>									
Current payment	40 187	-	-	40 187	37 564	2 623	93.5%	39 015	35 352
Transfers and subsidies	215 940	-	-	215 940	216 211	(271)	100.1%	209 405	209 404
Payment for capital assets	20	-	-	20	-	20	-	60	41
	<b>256 147</b>	<b>-</b>	<b>-</b>	<b>256 147</b>	<b>253 775</b>	<b>2 372</b>	<b>99.1%</b>	<b>248 480</b>	<b>244 797</b>
<b>5. TRANSPORT REGULATION</b>									
Current payment	329 921	-	-	329 921	313 420	16 501	95.0%	283 919	294 537
Transfers and subsidies	9 195	-	-	9 195	10 932	(1 737)	118.9%	6 218	6 210
Payment for capital assets	13 523	-	-	13 523	23 873	(10 350)	176.5%	109	46
	<b>352 639</b>	<b>-</b>	<b>-</b>	<b>352 639</b>	<b>348 225</b>	<b>4 414</b>	<b>98.7%</b>	<b>290 246</b>	<b>300 793</b>
<b>6. TRANSPORT INFRASTRUCTURE</b>									
Current payment	1 206 825	(800)	-	1 206 025	816 992	389 033	67.7%	442 113	389 337
Transfers and subsidies	4 590	-	-	4 590	4 722	(132)	102.9%	25 049	25 052
Payment for capital assets	370 267	800	-	371 067	739 939	(368 872)	199.4%	1 281 255	1 024 241
Payment for financial assets	-	-	-	-	708	(708)	-	-	-
	<b>1 581 682</b>	<b>-</b>	<b>-</b>	<b>1 581 682</b>	<b>1 562 361</b>	<b>19 321</b>	<b>98.8%</b>	<b>1 748 417</b>	<b>1 438 630</b>
<b>TOTAL</b>	<b>2 428 898</b>	<b>-</b>	<b>-</b>	<b>2 428 898</b>	<b>2 401 922</b>	<b>26 976</b>	<b>98.9%</b>	<b>2 503 732</b>	<b>2 190 213</b>
<b>Statutory Appropriation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>2 428 898</b>	<b>-</b>	<b>-</b>	<b>2 428 898</b>	<b>2 401 922</b>	<b>26 976</b>	<b>98.9%</b>	<b>2 503 732</b>	<b>2 190 213</b>

	2014/15		2013/14	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
<b>TOTAL (brought forward)</b>	2 428 898	2 401 922	2 503 732	2 190 213
<b>Reconciliation with statement of financial performance</b>				
<b>ADD</b>				
Departmental receipts	506 775		496 031	
NRF Receipts	-		-	
Aid assistance	83 448		-	
<b>Actual amounts per statement of financial performance (total revenue)</b>	<b>3 019 121</b>		<b>2 999 763</b>	
<b>ADD</b>				
Aid assistance		83 232		-
Prior year unauthorised expenditure approved without funding		-		3 327
<b>Actual amounts per statement of financial performance (total expenditure)</b>		<b>2 485 154</b>		<b>2 193 540</b>

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
<b>Current payments</b>	<b>1 810 757</b>	<b>(1 720)</b>	-	<b>1 809 037</b>	<b>1 399 351</b>	<b>409 686</b>	<b>77.4%</b>	<b>970 507</b>	<b>919 341</b>
Compensation of employees	517 072	-	-	517 072	516 951	121	100.0%	502 819	489 424
Goods and services	1 293 685	(1 720)	-	1 291 965	881 279	410 686	68.2%	467 559	429 796
Interest and rent on land	-	-	-	-	1 121	(1 121)	-	129	120
<b>Transfers and subsidies</b>	<b>230 180</b>	-	-	<b>230 180</b>	<b>232 273</b>	<b>(2 093)</b>	<b>100.9%</b>	<b>241 261</b>	<b>241 498</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	8 975	-	-	8 975	8 972	3	100.0%	25 000	25 000
Public corporations and private enterprises	215 900	-	-	215 900	215 775	125	99.9%	209 382	209 382
Households	5 305	-	-	5 305	7 527	(2 222)	141.9%	6 879	7 116
<b>Payments for capital assets</b>	<b>387 961</b>	<b>1 720</b>	-	<b>389 681</b>	<b>769 590</b>	<b>(379 909)</b>	<b>197.5%</b>	<b>1 291 964</b>	<b>1 029 374</b>
Buildings and other fixed structures	367 442	-	-	367 442	750 674	(383 232)	204.3%	1 277 412	1 023 029
Machinery and equipment	19 819	1 720	-	21 539	18 911	2 628	87.8%	12 852	5 606
Land and subsoil assets	700	-	-	700	4	696	0.6%	1 700	739
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>708</b>	<b>(708)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 428 898</b>	<b>-</b>	<b>-</b>	<b>2 428 898</b>	<b>2 401 922</b>	<b>26 976</b>	<b>98.9%</b>	<b>2 503 732</b>	<b>2 190 213</b>

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
<b>Sub programme</b>									
1. OFFICE OF THE MEC	9 286	(1 000)	-	8 286	9 022	(736)	108.9%	10 065	12 468
2. OFFICE OF THE HOD	4 014	510	-	4 524	4 855	(331)	107.3%	6 651	4 582
3. FINANCIAL MANAGEMENT	69 720	1 122	-	70 842	71 238	(396)	100.6%	59 458	61 648
4. CORPORATE SERVICES	62 961	(357)	-	62 604	63 013	(409)	100.7%	65 303	60 337
5. INTERNAL AUDIT	4 579	-	-	4 579	5 277	(698)	115.2%	4 641	5 074
6. LEGAL SERVICES	2 335	528	-	2 863	3 330	(467)	116.3%	2 557	3 219
7. STRATEGIC PLAN & RESEARCH DEV	6 582	-	-	6 582	4 558	2 024	69.2%	8 172	5 491
8. SECURITY MANAGEMENT	52 150	(803)	-	51 347	50 357	990	98.1%	35 555	33 589
9. RISK MANAGEMENT	2 288	-	-	2 288	2 059	229	90.0%	4 011	1 174
<b>Total for sub programmes</b>	<b>213 915</b>	<b>-</b>	<b>-</b>	<b>213 915</b>	<b>213 708</b>	<b>207</b>	<b>99.9%</b>	<b>196 413</b>	<b>187 583</b>



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>									
<b>Current payments</b>	209 429	(920)	-	208 509	207 582	927	99.6%	185 497	181 784
Compensation of employees	99 626	-	-	99 626	100 356	(730)	100.7%	95 562	95 042
Goods and services	109 803	(920)	-	108 883	107 175	1 708	98.4%	89 881	86 691
Interest and rent on land	-	-	-	-	51	(51)	-	54	51
<b>Transfers and subsidies</b>	335	-	-	335	348	(13)	104.0%	426	779
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	175	-	-	175	172	3	98.1%	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	160	-	-	160	177	(17)	110.4%	426	779
<b>Payments for capital assets</b>	4 151	920	-	5 071	5 778	(707)	113.9%	10 490	5 020
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 151	920	-	5 071	5 778	(707)	113.9%	10 490	5 020
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>213 915</b>	<b>-</b>	<b>-</b>	<b>213 915</b>	<b>213 708</b>	<b>207</b>	<b>99.9%</b>	<b>196 413</b>	<b>187 583</b>

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>	<b>9 286</b>	<b>(1 000)</b>	-	<b>8 286</b>	<b>9 022</b>	<b>(736)</b>	<b>108.9%</b>	<b>9 639</b>	<b>11 960</b>
Compensation of employees	5 853	-	-	5 853	6 630	(777)	113.3%	5 449	5 427
Goods and services	3 433	(1 000)	-	2 433	2 392	41	98.3%	4 190	6 533
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>426</b>	<b>471</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	426	471
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	<b>37</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	37
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>9 286</b>	<b>(1 000)</b>	<b>-</b>	<b>8 286</b>	<b>9 022</b>	<b>(736)</b>	<b>108.9%</b>	<b>10 065</b>	<b>12 468</b>

1.2 OFFICE OF THE HOD									
2014/15							2013/14		
Economic classification	Adjusted Appropriation	Shift-ing of Funds	Virement	Final Appropriation	Actual Expendi-ture	Variance	Expendi-ture as % of final ap-propria-tion	Final Appo-riation	Actual expendi-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>4 014</b>	<b>510</b>	-	<b>4 524</b>	<b>4 855</b>	<b>(331)</b>	<b>107.3%</b>	<b>6 451</b>	<b>4 543</b>
Compensation of employees	2 504	-	-	2 504	2 991	(487)	119.4%	2 332	3 114
Goods and services	1 510	510	-	2 020	1 864	156	92.3%	4 119	1 429
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	<b>200</b>	<b>39</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	200	39
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4 014</b>	<b>510</b>	<b>-</b>	<b>4 524</b>	<b>4 855</b>	<b>(331)</b>	<b>107.3%</b>	<b>6 651</b>	<b>4 582</b>

1.3 FINANCIAL MANAGEMENT									
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>69 542</b>	<b>1 122</b>	-	<b>70 664</b>	<b>71 062</b>	<b>(398)</b>	<b>100.6%</b>	<b>59 448</b>	<b>61 511</b>
Compensation of employees	43 919	-	-	43 919	43 906	13	100.0%	43 065	41 347
Goods and services	25 623	1 122	-	26 745	27 105	(360)	101.3%	16 329	20 113
Interest and rent on land	-	-	-	-	51	(51)	-	54	51
<b>Transfers and subsidies</b>	<b>130</b>	-	-	<b>130</b>	<b>131</b>	<b>(1)</b>	<b>100.5%</b>	-	<b>137</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	130	-	-	130	131	(1)	100.5%	-	137
<b>Payments for capital assets</b>	<b>48</b>	-	-	<b>48</b>	<b>45</b>	<b>3</b>	<b>94.5%</b>	<b>10</b>	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	48	-	-	48	45	3	94.5%	10	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>69 720</b>	<b>1 122</b>	<b>-</b>	<b>70 842</b>	<b>71 238</b>	<b>(396)</b>	<b>100.6%</b>	<b>59 458</b>	<b>61 648</b>



1.4 CORPORATE SERVICES									
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>58 858</b>	<b>(1 277)</b>	-	<b>57 581</b>	<b>57 263</b>	<b>318</b>	<b>99.4%</b>	<b>56 705</b>	<b>55 379</b>
Compensation of employees	27 984	-	-	27 984	28 339	(355)	101.3%	26 243	28 027
Goods and services	30 874	(1 277)	-	29 597	28 923	674	97.7%	30 462	27 352
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>46</b>	<b>(16)</b>	<b>153.3%</b>	<b>-</b>	<b>140</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	30	-	-	30	46	(16)	153.3%	-	140
<b>Payments for capital assets</b>	<b>4 073</b>	<b>920</b>	<b>-</b>	<b>4 993</b>	<b>5 704</b>	<b>(711)</b>	<b>114.2%</b>	<b>8 598</b>	<b>4 818</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 073	920	-	4 993	5 704	(711)	114.2%	8 598	4 818
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>62 961</b>	<b>(357)</b>	<b>-</b>	<b>62 604</b>	<b>63 013</b>	<b>(409)</b>	<b>100.7%</b>	<b>65 303</b>	<b>60 337</b>

1.5 INTERNAL AUDIT									
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>4 579</b>	-	-	<b>4 579</b>	<b>5 277</b>	<b>(698)</b>	<b>115.2%</b>	<b>4 641</b>	<b>5 074</b>
Compensation of employees	4 053	-	-	4 053	4 774	(721)	117.8%	2 843	4 423
Goods and services	526	-	-	526	503	23	95.7%	1 798	652
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4 579</b>	<b>-</b>	<b>-</b>	<b>4 579</b>	<b>5 277</b>	<b>(698)</b>	<b>115.2%</b>	<b>4 641</b>	<b>5 074</b>

1.6 LEGAL 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
<b>Current payments</b>	<b>2 335</b>	<b>528</b>	-	<b>2 863</b>	<b>3 330</b>	<b>(467)</b>	<b>116.3%</b>	<b>2 395</b>	<b>3 112</b>
Compensation of employees	1 346	-	-	1 346	1 890	(544)	140.4%	788	1 867
Goods and services	989	528	-	1 517	1 440	77	94.9%	1 607	1 245
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	<b>162</b>	<b>107</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	162	107
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2 335</b>	<b>528</b>	<b>-</b>	<b>2 863</b>	<b>3 330</b>	<b>(467)</b>	<b>116.3%</b>	<b>2 557</b>	<b>3 219</b>

1.7 STRATEGIC PLANNING & RESEARCH DEVELOPMENT									
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>Current payments</b>	<b>6 582</b>	-	-	<b>6 582</b>	<b>4 558</b>	<b>2 024</b>	<b>69.2%</b>	<b>8 172</b>	<b>5 466</b>
Compensation of employees	6 360	-	-	6 360	4 432	1 928	69.7%	7 784	5 371
Goods and services	222	-	-	222	126	96	56.7%	388	95
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	<b>25</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	25
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6 582</b>	<b>-</b>	<b>-</b>	<b>6 582</b>	<b>4 558</b>	<b>2 024</b>	<b>69.2%</b>	<b>8 172</b>	<b>5 491</b>



1.8 SECURITY 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	
<b>Current payments</b>	<b>51 945</b>	<b>(803)</b>	-	<b>51 142</b>	<b>50 157</b>	<b>985</b>	<b>98.1%</b>	<b>34 055</b>	<b>33 583</b>	
Compensation of employees	5 607	-	-	5 607	5 575	32	99.4%	3 358	4 424	
Goods and services	46 338	(803)	-	45 535	44 583	952	97.9%	30 697	29 159	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
<b>Transfers and subsidies</b>	<b>175</b>	-	-	<b>175</b>	<b>172</b>	<b>3</b>	<b>98.1%</b>	-	<b>6</b>	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	175	-	-	175	172	3	98.1%	-	-	
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	
Households	-	-	-	-	-	-	-	-	6	
<b>Payments for capital assets</b>	<b>30</b>	-	-	<b>30</b>	<b>28</b>	<b>2</b>	<b>94.9%</b>	<b>1 500</b>	-	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	30	30	-	30	28	2	94.9%	1 500	-	
Land and subsoil assets	-	-	-	-	-	-	-	-	-	
Intangible assets	-	-	-	-	-	-	-	-	-	
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>52 150</b>	<b>(803)</b>	<b>-</b>	<b>51 347</b>	<b>50 357</b>	<b>990</b>	<b>98.1%</b>	<b>35 555</b>	<b>33 589</b>	

1.9 RISK 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
<b>Current payments</b>	2 288	-	-	2 288	2 059	229	90.0%	3 991	1 155
Compensation of employees	2 000	-	-	2 000	1 820	180	91.0%	3 700	1 042
Goods and services	288	-	-	288	239	49	82.8%	291	113
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	20	20
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	20	19
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	2 288	-	-	2 288	2 059	229	90.0%	4 011	1 174

Programme 2: CIVILIAN OVERSIGHT									
2014/15									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. COMPLAINTS REGISTRY AND INVESTIGATION	5 204	-	-	5 204	4 218	986	81.1%	4 301	4 220
2. MONITORING AND EVALUATION	3 800	-	-	3 800	4 098	(298)	107.9%	4 053	3 731
Total for sub programmes	9 004	-	-	9 004	8 316	688	92.4%	8 354	7 951
Economic classification									
Current payments	8 944	-	-	8 944	8 256	688	92.3%	8 354	7 951
Compensation of employees	8 374	-	-	8 374	7 779	595	92.9%	7 423	7 402
Goods and services	570	-	-	570	477	93	83.8%	931	549
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	60	-	-	60	60	-	100.0%	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	60	-	-	60	60	-	100.0%	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	9 004	-	-	9 004	8 316	688	92.4%	8 354	7 951
									2013/14

2.1 COMPLAINTS REGISTRY AND INVESTIGATION									
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>5 144</b>	-	-	<b>5 144</b>	<b>4 158</b>	<b>986</b>	<b>80.8%</b>	<b>4 301</b>	<b>4 220</b>
Compensation of employees	4 916	-	-	4 916	4 091	825	83.2%	3 878	3 988
Goods and services	228	-	-	228	67	161	29.4%	423	232
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>60</b>	-	-	<b>60</b>	<b>60</b>	-	<b>100.0%</b>	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	60	-	-	60	60	-	100.0%	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5 204</b>	<b>-</b>	<b>-</b>	<b>5 204</b>	<b>4 218</b>	<b>986</b>	<b>81.1%</b>	<b>4 301</b>	<b>4 220</b>



2.2 MONITORING AND EVALUATION									
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>3 800</b>	-	-	<b>3 800</b>	<b>4 098</b>	<b>(298)</b>	<b>107.9%</b>	<b>4 053</b>	<b>3 731</b>
Compensation of employees	3 458	-	-	3 458	3 688	(230)	106.6%	3 545	3 414
Goods and services	342	-	-	342	411	(69)	120.1%	508	317
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>									
<b>Total</b>	<b>3 800</b>	<b>-</b>	<b>-</b>	<b>3 800</b>	<b>4 098</b>	<b>(298)</b>	<b>107.9%</b>	<b>4 053</b>	<b>3 731</b>

Programme 3: CRIME PREVENTION AND COMMUNITY POLICE RELATIONS									
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. SOCIAL CRIME PREVENTION	8 454	1 425	-	9 879	9 757	122	98.8%	5 630	5 602
2. COMMUNITY POLICE RELATIONS	4 820	(505)	-	4 315	3 631	684	84.1%	4 514	3 443
3. PROMOTION OF SAFETY	2 237	(920)	-	1 317	2 148	(831)	163.1%	1 678	1 415
<b>Total for sub programmes</b>	<b>15 511</b>	<b>-</b>	<b>-</b>	<b>15 511</b>	<b>15 536</b>	<b>(25)</b>	<b>100.2%</b>	<b>11 822</b>	<b>10 460</b>
<b>Economic classification</b>									
Current payments	15 451	-	-	15 451	15 536	(85)	100.6%	11 609	10 380
Compensation of employees	6 756	-	-	6 756	7 291	(535)	107.9%	6 492	6 486
Goods and services	8 695	-	-	8 695	8 245	450	94.8%	5 117	3 895
<b>Transfers and subsidies</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>163</b>	<b>54</b>
Households	60	-	-	60	-	60	-	163	54
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>26</b>
Machinery and equipment	-	-	-	-	-	-	-	50	26
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>15 511</b>	<b>-</b>	<b>-</b>	<b>15 511</b>	<b>15 536</b>	<b>(25)</b>	<b>100.2%</b>	<b>11 822</b>	<b>10 460</b>

3.1 SOCIAL CRIME PREVENTION									
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>8 394</b>	<b>1 425</b>	-	<b>9 819</b>	<b>9 757</b>	<b>62</b>	<b>99.4%</b>	<b>5 519</b>	<b>5 555</b>
Compensation of employees	2 728	-	-	2 728	2 941	(213)	107.8%	2 419	2 783
Goods and services	5 666	1 425	-	7 091	6 816	274	96.1%	3 100	2 772
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>60</b>	-	-	<b>60</b>	-	<b>60</b>	-	<b>81</b>	<b>21</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	60	-	-	60	-	60	-	81	21
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	<b>30</b>	<b>26</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	30	26
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8 454</b>	<b>1 425</b>	<b>-</b>	<b>9 879</b>	<b>9 757</b>	<b>122</b>	<b>98.8%</b>	<b>5 630</b>	<b>5 602</b>

3.2 COMMUNITY POLICE RELATIONS									
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>4 820</b>	<b>(505)</b>	-	<b>4 315</b>	<b>3 631</b>	<b>684</b>	<b>84.1%</b>	<b>4 432</b>	<b>3 410</b>
Compensation of employees	3 343	-	-	3 343	2 691	652	80.5%	3 113	2 723
Goods and services	1 477	(505)	-	972	940	32	96.7%	1 319	687
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>82</b>	<b>33</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	82	33
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4 820</b>	<b>(505)</b>	<b>-</b>	<b>4 315</b>	<b>3 631</b>	<b>684</b>	<b>84.1%</b>	<b>4 514</b>	<b>3 443</b>



3.3 PROMOTION OF SAFETY									
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>	2 237	(920)	-	1 317	2 148	(831)	163.1%	1 658	1 415
Compensation of employees	685	-	-	685	1 659	(974)	242.2%	960	979
Goods and services	1 552	(920)	-	632	489	143	77.4%	698	436
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	20	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	20	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2 237</b>	<b>(920)</b>	<b>-</b>	<b>1 317</b>	<b>2 148</b>	<b>(831)</b>	<b>163.1%</b>	<b>1 678</b>	<b>1 415</b>

Programme 4: 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
<b>Sub programme</b>									
1. PROGRAMME SUPPORT OPERATIONS	1 784	-	-	1 784	1 616	168	90.6%	1 696	1 781
2. PUBLIC TRANSPORT SERVICES	227 546	-	-	227 546	225 833	1 713	99.2%	225 899	226 599
3. TRANSPORT SAFETY AND COMPLIANCE	19 211	-	-	19 211	22 923	(3 712)	119.3%	14 319	16 075
4. INFRASTRUCTURE OPERATIONS	2 690	-	-	2 690	390	2 300	14.5%	2 566	342
5. TRANSPORT SYSTEMS	4 916	-	-	4 916	3 013	1 903	61.3%	4 000	-
<b>Total for sub programmes</b>	<b>256 147</b>	<b>-</b>	<b>-</b>	<b>256 147</b>	<b>253 775</b>	<b>2 372</b>	<b>99.1%</b>	<b>248 480</b>	<b>244 797</b>

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>											
<b>Current payments</b>	40 187	-	-	40 187	37 564	2 623	93.5%	39 015	35 352		
Compensation of employees	27 475	-	-	27 475	28 045	(570)	102.1%	21 578	21 573		
Goods and services	12 712	-	-	12 712	9 519	3 193	74.9%	17 437	13 779		
Interest and rent on land	-	-	-	-	-	-	-	-	-		
<b>Transfers and subsidies</b>	215 940	-	-	215 940	216 211	(271)	100.1%	209 405	209 404		
Provinces and municipalities	-	-	-	-	-	-	-	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-		
Public corporations and private enterprises	215 900	-	-	215 900	215 775	125	99.9%	209 382	209 382		
Households	40	-	-	40	436	(396)	1090.3%	23	22		
<b>Payments for capital assets</b>	20	-	-	20	-	20	-	60	41		
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-		
Machinery and equipment	20	-	-	20	-	20	-	60	41		
Land and subsoil assets	-	-	-	-	-	-	-	-	-		
Intangible assets	-	-	-	-	-	-	-	-	-		
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-		
<b>Total</b>	256 147	-	-	256 147	253 775	2 372	99.1%	248 480	244 797		

4.1 OPERATION SUPPORT OFFICE									
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>1 784</b>	-	-	<b>1 784</b>	<b>1 616</b>	<b>168</b>	<b>90.6%</b>	<b>1 694</b>	<b>1 780</b>
Compensation of employees	1 542	-	-	1 542	1 541	1	99.9%	1 143	1 373
Goods and services	242	-	-	242	75	167	31.2%	551	407
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>1</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	2	1
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 784</b>	<b>-</b>	<b>-</b>	<b>1 784</b>	<b>1 616</b>	<b>168</b>	<b>90.6%</b>	<b>1 696</b>	<b>1 781</b>



4.2 PUBLIC TRANSPORT 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>	11 646	-	-	11 646	10 057	1 589	86.4%	16 497	17 197
Compensation of employees	6 324	-	-	6 324	6 484	(160)	102.5%	5 221	6 153
Goods and services	5 322	-	-	5 322	3 573	1 749	67.1%	11 276	11 045
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	215 900	-	-	215 900	215 775	125	99.9%	209 402	209 402
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	215 900	-	-	215 900	215 775	125	99.9%	209 382	209 382
Households	-	-	-	-	-	-	-	20	20
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	227 546	-	-	227 546	225 832	1 714	99.2%	225 899	226 599

4.3 TRANSPORT SAFETY AND COMPLIANCE									
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>	19 171	-	-	19 171	22 487	(3 316)	117.3%	14 318	16 074
Compensation of employees	17 274	-	-	17 274	19 824	(2 550)	114.8%	13 230	13 966
Goods and services	1 897	-	-	1 897	2 664	(767)	140.4%	1 088	2 109
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	40	-	-	40	436	(396)	1 090.3%	1	1
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	40	-	-	40	436	(396)	1 090.3%	1	1
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	19 211	-	-	19 211	22 923	(3 712)	119.3%	14 319	16 075

4.4 INFRASTRUCTURE 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
<b>Current payments</b>	<b>2 670</b>	-	-	<b>2 670</b>	<b>390</b>	<b>2 280</b>	<b>14.6%</b>	<b>2 506</b>	<b>301</b>
Compensation of employees	2 335	-	-	2 335	196	2 139	8.4%	1 984	83
Goods and services	335	-	-	335	194	141	57.9%	522	218
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>									
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>20</b>	-	-	<b>20</b>	-	<b>20</b>	-	<b>60</b>	<b>41</b>
Buildings and other fixed structures									
Machinery and equipment	20	-	-	20	-	20	-	60	41
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	-	-	<b>-</b>	-	-	-	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 690</b>	<b>-</b>	<b>-</b>	<b>2 690</b>	<b>390</b>	<b>2 300</b>	<b>14.5%</b>	<b>2 566</b>	<b>342</b>

4.5 TRANSPORT SYSTEMS									
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>4 916</b>	-	-	<b>4 916</b>	<b>3 013</b>	<b>1 903</b>	<b>61.3%</b>	<b>4 000</b>	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	4 916	-	-	4 916	3 013	1 903	61.3%	4 000	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4 916</b>	<b>-</b>	<b>-</b>	<b>4 916</b>	<b>3 013</b>	<b>1 903</b>	<b>61.3%</b>	<b>4 000</b>	<b>-</b>



Programme 5: TRANSPORT REGULATIONS									
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. PROGRAMME SUPPORT REGULATION	20 690	-	-	20 690	21 617	(927)	104.5%	10 460	14 209
2. LAW ENFORCEMENT	215 749	-	-	215 749	208 624	7 125	96.7%	178 004	185 628
3. TRANSPORT ADMINISTRATION AND LICENSING	97 584	-	-	97 584	100 746	(3 162)	103.2%	86 454	83 705
4. OPERATOR LICENSE AND PERMITS	18 616	-	-	18 616	17 238	1 378	92.6%	15 328	17 251
<b>Total for sub programmes</b>	<b>352 639</b>	<b>-</b>	<b>-</b>	<b>352 639</b>	<b>348 225</b>	<b>4 414</b>	<b>98.7%</b>	<b>290 246</b>	<b>300 793</b>

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>									
<b>Current payments</b>	<b>329 921</b>	-	-	<b>329 921</b>	<b>313 420</b>	<b>16 501</b>	<b>95.0%</b>	<b>283 919</b>	<b>294 537</b>
Compensation of employees	240 993	-	-	240 993	241 946	(953)	100.4%	229 819	226 676
Goods and services	88 928	-	-	88 928	71 474	17 454	80.4%	54 085	67 847
Interest and rent on land	-	-	-	-	-	-	-	15	14
<b>Transfers and subsidies</b>	<b>9 195</b>	-	-	<b>9 195</b>	<b>10 932</b>	<b>(1 737)</b>	<b>118.9%</b>	<b>6 218</b>	<b>6 210</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	8 800	-	-	8 800	8 800	-	100.0%	5 000	5 000
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	395	-	-	395	2 132	(1 737)	539.8%	1 218	1 210
<b>Payments for capital assets</b>	<b>13 523</b>	-	-	<b>13 523</b>	<b>23 873</b>	<b>(10 350)</b>	<b>176.5%</b>	<b>109</b>	<b>46</b>
Buildings and other fixed structures	-	-	-	-	16 933	(16 933)	-	-	-
Machinery and equipment	13 523	-	-	13 523	6 940	6 583	51.3%	109	46
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>352 639</b>	<b>-</b>	<b>-</b>	<b>352 639</b>	<b>348 225</b>	<b>4 414</b>	<b>98.7%</b>	<b>290 246</b>	<b>300 793</b>

5.1 PROGRAMME SUPPORT REGULATION									
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>20 690</b>	-	-	<b>20 690</b>	<b>21 004</b>	<b>(314)</b>	<b>101.5%</b>	<b>10 460</b>	<b>14 209</b>
Compensation of employees	10 765	-	-	10 765	12 044	(1 279)	111.9%	10 048	11 819
Goods and services	9 925	-	-	9 925	8 959	996	90.3%	412	2 390
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	<b>613</b>	<b>(613)</b>	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	613	(613)	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>20 690</b>	-	-	<b>20 690</b>	<b>21 617</b>	<b>(927)</b>	<b>104.5%</b>	<b>10 460</b>	<b>14 209</b>

5.2 LAW ENFORCEMENT									
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>202 073</b>	-	-	<b>202 073</b>	<b>194 664</b>	<b>7 409</b>	<b>96.3%</b>	<b>177 009</b>	<b>184 512</b>
Compensation of employees	146 880	-	-	146 880	142 254	4 626	96.9%	143 292	136 296
Goods and services	55 193	-	-	55 193	52 410	2 783	95.0%	33 702	48 202
Interest and rent on land	-	-	-	-	-	-	-	15	14
<b>Transfers and subsidies</b>	<b>153</b>	-	-	<b>153</b>	<b>1 317</b>	<b>(1 164)</b>	<b>860.8%</b>	<b>995</b>	<b>1 115</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	153	-	-	153	1 317	(1 164)	860.8%	995	1 115
<b>Payments for capital assets</b>	<b>13 523</b>	-	-	<b>13 523</b>	<b>12 643</b>	<b>880</b>	<b>93.5%</b>	-	-
Buildings and other fixed structures	-	-	-	-	5 703	(5 703)	-	-	-
Machinery and equipment	13 523	-	-	13 523	6 940	6 583	51.3%	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	-	-	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>215 749</b>	<b>-</b>	<b>-</b>	<b>215 749</b>	<b>208 624</b>	<b>7 125</b>	<b>96.7%</b>	<b>178 004</b>	<b>185 628</b>



5.3 TRANSPORT ADMINISTRATION AND LICENSING									
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>93 542</b>	-	-	<b>93 542</b>	<b>85 541</b>	<b>8 001</b>	<b>91.4%</b>	<b>86 122</b>	<b>83 578</b>
Compensation of employees	73 869	-	-	73 869	78 412	(4 543)	106.1%	68 779	69 502
Goods and services	19 673	-	-	19 673	7 129	12 544	36.2%	17 343	14 076
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>4 042</b>	-	-	<b>4 042</b>	<b>3 975</b>	<b>67</b>	<b>98.3%</b>	<b>223</b>	<b>81</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	3 800	-	-	3 800	3 800	-	100.0%	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	242	-	-	242	175	67	72.4%	223	81
<b>Payments for capital assets</b>	<b>-</b>	-	-	<b>-</b>	<b>11 230</b>	<b>(11 230)</b>	<b>-</b>	<b>109</b>	<b>46</b>
Buildings and other fixed structures	-	-	-	-	11 230	(11 230)	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	109	46
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>97 584</b>	<b>-</b>	<b>-</b>	<b>97 584</b>	<b>100 746</b>	<b>(3 162)</b>	<b>103.2%</b>	<b>86 454</b>	<b>83 705</b>

5.4 OPERATOR LICENSE 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>13 616</b>	-	-	<b>13 616</b>	<b>12 211</b>	<b>1 405</b>	<b>89.7%</b>	<b>10 328</b>	<b>12 237</b>
Compensation of employees	9 479	-	-	9 479	9 235	244	97.4%	7 700	9 059
Goods and services	4 137	-	-	4 137	2 976	1 161	71.9%	2 628	3 178
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>5 000</b>	-	-	<b>5 000</b>	<b>5 027</b>	<b>(27)</b>	<b>100.5%</b>	<b>5 000</b>	<b>5 014</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	5 000	-	-	5 000	5 000	-	100%	5 000	5 000
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	27	(27)	-	-	14
<b>Payments for capital assets</b>									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>18 616</b>	<b>-</b>	<b>-</b>	<b>18 616</b>	<b>17 238</b>	<b>1 378</b>	<b>92.6%</b>	<b>15 328</b>	<b>17 251</b>

Programme 6: 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	6 975	(2 263)	-	4 712	4 852	(140)	103.0%	22 110	13 779	
2. INFRASTRUCTURE PLANNING	48 328	(7 958)	-	40 370	30 678	9 692	76.0%	33 487	29 811	
3. INFRASTRUCTURE DESIGN	2 941	-	-	2 941	1 336	1 605	45.4%	3 351	695	
4. CONSTRUCTION	4 481	(300)	-	4 181	1 526	2 655	36.5%	23 205	28 163	
5. MAINTENANCE	1 518 957	10 521	-	1 529 478	1 523 969	5 509	99.6%	1 666 264	1 366 183	
<b>Total for sub programmes</b>	<b>1 581 682</b>	<b>-</b>	<b>-</b>	<b>1 581 682</b>	<b>1 562 361</b>	<b>19 321</b>	<b>98.8%</b>	<b>1 748 417</b>	<b>1 438 630</b>	

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>									
<b>Current payments</b>	<b>1 206 825</b>	<b>(800)</b>	-	<b>1 206 025</b>	<b>816 992</b>	<b>389 033</b>	<b>67.7%</b>	<b>442 113</b>	<b>389 337</b>
Compensation of employees	133 848	-	-	133 848	131 534	2 314	98.3%	141 945	132 246
Goods and services	1 072 977	(800)	-	1 072 177	684 387	387 790	63.8%	300 108	257 036
Interest and rent on land	-	-	-	-	1 070	(1 070)	-	60	55
<b>Transfers and subsidies</b>	<b>4 590</b>	-	-	<b>4 590</b>	<b>4 722</b>	<b>(132)</b>	<b>102.9%</b>	<b>25 049</b>	<b>25 052</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	20 000	20 000
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 590	-	-	4 590	4 722	(132)	102.9%	5 049	5 052
<b>Payments for capital assets</b>	<b>370 267</b>	<b>800</b>	-	<b>371 067</b>	<b>739 939</b>	<b>(368 872)</b>	<b>199.4%</b>	<b>1 281 255</b>	<b>1 024 241</b>
Buildings and other fixed structures	367 442	-	-	367 442	733 741	(366 299)	199.7%	1 277 412	1 023 029
Machinery and equipment	2 125	800	-	2 925	6 193	(3 268)	211.7%	2 143	473
Land and subsoil assets	700	-	-	700	4	696	0.6%	1 700	739
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>708</b>	<b>(708)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 581 682</b>	<b>-</b>	<b>-</b>	<b>1 581 682</b>	<b>1 562 361</b>	<b>19 321</b>	<b>98.8%</b>	<b>1 748 417</b>	<b>1 438 630</b>



6.1 PROGRAMME SUPPORT INFRASTRUCTURE									
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>6 796</b>	<b>(2 263)</b>	-	<b>4 533</b>	<b>4 852</b>	<b>(319)</b>	<b>107.0%</b>	<b>20 934</b>	<b>13 346</b>
Compensation of employees	3 669	-	-	3 669	4 368	(699)	119.0%	6 647	2 643
Goods and services	3 127	(2 263)	-	864	484	380	56.0%	14 287	10 704
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>179</b>	-	-	<b>179</b>	-	<b>179</b>	-	<b>1 176</b>	<b>432</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	179	-	-	179	-	179	-	1 176	432
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6 975</b>	<b>(2 263)</b>	<b>-</b>	<b>4 712</b>	<b>4 852</b>	<b>(140)</b>	<b>103.0%</b>	<b>22 110</b>	<b>13 779</b>

6.2 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>30 186</b>	<b>(7 958)</b>	-	<b>22 228</b>	<b>29 989</b>	<b>(7 761)</b>	<b>134.9%</b>	<b>25 347</b>	<b>18 314</b>
Compensation of employees	13 069	-	-	13 069	7 891	5 178	60.4%	11 469	15 836
Goods and services	17 117	(7 958)	-	9 159	22 098	(12 939)	241.3%	13 878	2 477
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>18 142</b>	-	-	<b>18 142</b>	<b>674</b>	<b>17 468</b>	<b>3.7%</b>	<b>8 140</b>	<b>11 497</b>
Buildings and other fixed structures	16 400	-	-	16 400	-	16 400	-	6 200	10 758
Machinery and equipment	1 042	-	-	1 042	670	372	64.3%	240	-
Land and subsoil assets	700	-	-	700	4	696	0.6%	1 700	739
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	<b>15</b>	<b>(15)</b>	-	-	-
<b>Total</b>	<b>48 328</b>	<b>(7 958)</b>	-	<b>40 370</b>	<b>30 678</b>	<b>9 692</b>	<b>76.0%</b>	<b>33 487</b>	<b>29 811</b>

6.3 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
<b>Current payments</b>	2 941	-	-	2 941	1 336	1 605	45.4%	3 351	695
Compensation of employees	2 138	-	-	2 138	1 217	921	56.9%	2 908	622
Goods and services	803	-	-	803	119	684	14.8%	443	73
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	2 941	-	-	2 941	1 336	1 605	45.4%	3 351	695

6.4 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
<b>Current payments</b>	<b>4 481</b>	<b>(300)</b>	-	<b>4 181</b>	<b>1 526</b>	<b>2 655</b>	<b>36.5%</b>	<b>(4 695)</b>	<b>3 736</b>
Compensation of employees	2 612	-	-	2 612	753	1 859	28.8%	(5 144)	320
Goods and services	1 869	(300)	-	1 569	773	796	49.2%	449	3 416
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>20 000</b>	<b>20 000</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	20 000	20 000
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	<b>7 900</b>	<b>4 426</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	7 900	4 426
Machinery and equipment	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4 481</b>	<b>(300)</b>	<b>-</b>	<b>4 181</b>	<b>1 526</b>	<b>2 655</b>	<b>36.5%</b>	<b>23 205</b>	<b>28 163</b>



6.5 MAINTENANCE										
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>1 162 421</b>	<b>9 721</b>	-	<b>1 172 142</b>	<b>779 289</b>	<b>392 853</b>	<b>66.5%</b>	<b>397 176</b>	<b>353 246</b>	
Compensation of employees	112 360	-	-	112 360	117 305	(4 945)	104.4%	126 065	112 826	
Goods and services	1 050 061	9 721	-	1 059 782	660 914	398 868	62.4%	271 051	240 365	
Interest and rent on land	-	-	-	-	1 070	(1 070)	-	60	55	
<b>Transfers and subsidies</b>	<b>4 590</b>	-	-	<b>4 590</b>	<b>4 722</b>	<b>(132)</b>	<b>102.9%</b>	<b>5 049</b>	<b>5 052</b>	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	
Households	4 590	-	-	4 590	4 722	(132)	102.9%	5 049	5 052	
<b>Payments for capital assets</b>	<b>351 946</b>	<b>800</b>	-	<b>352 746</b>	<b>739 265</b>	<b>(386 519)</b>	<b>209.6%</b>	<b>1 264 039</b>	<b>1 007 886</b>	
Buildings and other fixed structures	351 042	-	-	351 042	733 741	(382 699)	209.0%	1 263 312	1 007 845	
Machinery and equipment	904	800	-	1 704	5 523	(3 819)	324.1%	727	41	
Land and subsoil assets	-	-	-	-	-	-	-	-	-	
Intangible assets	-	-	-	-	-	-	-	-	-	
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>694</b>	<b>(694)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>1 518 957</b>	<b>10 521</b>	<b>-</b>	<b>1 529 478</b>	<b>1 523 969</b>	<b>5 509</b>	<b>99.6%</b>	<b>1 666 264</b>	<b>1 366 184</b>	

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-E) to the Annual Financial Statements.

2. **Detail of specifically and exclusively appropriated amounts voted (after Virement):**

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. **Detail on payments for financial assets**

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	213 915	213 708	207	0.1%
Administration	9 004	8 316	688	7.6%
Civilian Oversight	15 511	15 536	(25)	-0.2%
Crime Prevention and Community Police Relations	256 147	253 774	2 373	0.9%
Transport Operations	352 639	348 225	4 414	1.3%
Transport Regulations	1 581 682	1 562 361	19 321	1.2%

The Department reflect a saving to the amount of R27 million overall. This represents a saving of 1.1% on the total appropriation for the year.

Civilian Oversight: Incorrect PERSAL linkage codes on Programme 3. Overspending to the amount of R25 000 on Compensation of Employees.

Transport Regulations: Slow movement of contractors on Kroonstad through Route project - saving of R6.7 million and QwaQwa Transport Route project - saving of R6.2 million caused the saving on Infrastructure Enhancement Allocation.

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
<b>Current payments</b>				
Compensation of employees	517 072	516 951	121	0.0%
Goods and services	1 291 965	881 279	410 686	31.8%
Interest and rent on land	-	1 121	(1 121)	-
<b>Transfers and subsidies</b>				
Departmental agencies and accounts	8 975	8 972	3	0.0%
Public corporations and private enterprises	215 900	215 775	125	0.1%
Households	5 305	7 527	(2 222)	-41.9%
<b>Payments for capital assets</b>				
Buildings and other fixed structures	367 442	750 674	(383 232)	-104.3%
Machinery and equipment	21 539	18 911	2 628	12.2%
Land and subsoil assets	700	4	696	99.4%
Intangible assets				
<b>Payments for financial assets</b>	-	708	(708)	-

Current payments (G&S) were reclassified according to SCOA as capital payments. SCOA classifications of road projects were corrected with journals. Consistency in reporting on Asset register over MTEF was used as basis for correcting these payments.

Households: The Department cannot budget for officials that will resign in a financial year. More officials have resigned than what was budgeted for and this impacts the leave gratuity payments

4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Infrastructure Enhancement Allocation	320 625	299 296	21 329	6.7%
EPWP	4 635	4 633	2	0.0%
Provincial Roads Maintenance Grant	1 261 338	1 261 445	(107)	0.0%
Public Transport Operations Grant	215 900	215 774	126	0.1%
Revenue Enhancement Allocation	23 734	23 991	(257)	-1.1%

Slow movement of contractors on Kroonstad Through Route project - saving of R6.7 million and QwaQwa Transport Route project - saving of R6.2 million caused the saving on Infrastructure Enhancement Allocation

	Note	2014/15 R'000	2013/14 R'000
<b>REVENUE</b>			
Annual appropriation	<u>1</u>	2 428 898	2 503 732
Departmental revenue	<u>2</u>	506 775	496 031
NRF Receipts		-	-
Aid assistance	<u>3</u>	83 448	-
<b>TOTAL REVENUE</b>		<b>3 019 121</b>	<b>2 999 763</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	<u>4</u>	516 951	489 424
Goods and services	<u>5</u>	881 279	429 797
Interest and rent on land	<u>6</u>	1 121	120
Aid assistance	<u>3</u>	76 753	-
<b>Total current expenditure</b>		<b>1 476 104</b>	<b>919 341</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	<u>8</u>	232 273	241 498
Aid assistance	<u>4</u>	-	-
<b>Total transfers and subsidies</b>		<b>232 273</b>	<b>241 498</b>
<b>Expenditure for capital assets</b>			
Tangible assets	<u>9</u>	776 069	1 029 374
Intangible assets	<u>9</u>	-	-
<b>Total expenditure for capital assets</b>		<b>776 069</b>	<b>1 029 374</b>
Unauthorised expenditure approved without funding	<u>10</u>	-	3 327
<b>Payments for financial assets</b>	<u>7</u>	<b>708</b>	<b>-</b>
<b>TOTAL EXPENDITURE</b>		<b>2 485 154</b>	<b>2 193 540</b>
<b>SURPLUS FOR THE YEAR</b>		<b>533 967</b>	<b>806 223</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted funds		<b>26 976</b>	<b>310 192</b>
Annual appropriation		5 883	(426)
Conditional grants		21 093	310 618
Unconditional grants		-	-
Departmental revenue and NRF Receipts	<u>14</u>	506 775	496 031
Aid assistance	<u>3</u>	216	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>533 967</b>	<b>806 223</b>



	Note	2014/15 R'000	2013/14 R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>42 750</b>	<b>365 839</b>
Unauthorised expenditure	<u>10</u>	28 167	41 891
Cash and cash equivalents	<u>11</u>	47	302 158
Receivables	<u>12</u>	14 536	21 790
<b>Non-current assets</b>		<b>435</b>	<b>535</b>
Receivables	<u>12</u>	435	535
<b>TOTAL ASSETS</b>		<b>43 185</b>	<b>366 384</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>40 618</b>	<b>360 718</b>
Voted funds to be surrendered to the Revenue Fund	<u>13</u>	27 001	320 739
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>14</u>	6 340	33 429
Bank overdraft	<u>15</u>	3 569	-
Payables	<u>16</u>	3 492	6 550
Aid assistance unutilised	<u>3</u>	216	-
<b>Non-current liabilities</b>			
Payables	<u>16</u>	-	-
<b>TOTAL LIABILITIES</b>		<b>40 618</b>	<b>360 718</b>
<b>NET ASSETS</b>		<b>2 567</b>	<b>5 666</b>
<b>Represented by:</b>			
Capitalisation reserve		-	-
Recoverable revenue		2 567	5 666
Retained funds		-	-
Revaluation reserves		-	-
<b>TOTAL</b>		<b>2 567</b>	<b>5 666</b>

	Note	2014/15 R'000	2013/14 R'000
<b>Recoverable revenue</b>			
Opening balance		5 666	3 411
Transfers:		(3 099)	2 255
Debts revised		11	(111)
Debts recovered (included in Departmental receipts)		(6 247)	(1 000)
Debts raised		3 137	3 366
Closing balance		2 567	5 666
<b>TOTAL</b>		<b>2 567</b>	<b>5 666</b>

	Note	2014/15 R'000	2013/14 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		3 088 925	3 037 833
Annual appropriated funds received	<u>1.1</u>	2 428 898	2 503 732
Departmental revenue received	<u>2</u>	576 288	533 888
Interest received	<u>2.3</u>	291	213
Aid assistance received	<u>3</u>	83 448	-
Net (increase)/decrease in working capital		18 030	(14 946)
Surrendered to Revenue Fund		(924 407)	(548 779)
Current payments		(1 474 958)	(912 001)
Interest paid	<u>6</u>	(1 121)	(120)
Payments for financial assets		(708)	-
Transfers and subsidies paid		(232 273)	(241 498)
<b>Net cash flow available from operating activities</b>	<u>17</u>	<b>473 488</b>	<b>1 320 489</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	<u>9</u>	(776 069)	(1 029 374)
<b>Net cash flows from investing activities</b>		<b>(776 069)</b>	<b>(1 029 374)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		(3 099)	2 255
<b>Net cash flows from financing activities</b>		<b>(3 099)</b>	<b>2 255</b>
Net increase/(decrease) in cash and cash equivalents		(305 680)	293 370
Cash and cash equivalents at beginning of period		302 158	8 788
<b>Cash and cash equivalents at end of period</b>	<u>18</u>	<b>(3 522)</b>	<b>302 158</b>

### Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

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 (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

<b>1</b>	<b>Basis of preparation</b> The financial statements have been fairly prepared and are presented in accordance with the Modified Cash Standard.
<b>2</b>	<b>Going concern</b> The financial statements have been prepared on a going concern basis.
<b>3</b>	<b>Presentation currency</b> Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.
<b>4</b>	<b>Rounding</b> Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
<b>5</b>	<b>Comparative information</b>
<b>5.1</b>	<b>Prior period comparative information</b> 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.
<b>5.2</b>	<b>Current year comparison with budget</b> A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
<b>6</b>	<b>Revenue</b>
<b>6.1</b>	<b>Appropriated funds</b> 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 statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
<b>6.2</b>	<b>Departmental revenue</b> Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.



6.3	<p><b>Accrued Departmental revenue</b></p> <p>Accruals in respect of Departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>it is probable that the economic benefits or service potential associated with the transaction will flow to the Department; and</li> <li>the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p>
7	<p><b>Expenditure</b></p>
7.1	<p><b>Compensation of employees</b></p>
7.1.1	<p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
7.1.2	<p><b>Social contributions</b></p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
7.2	<p><b>Other expenditure</b></p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold and the expense meets the requirements of a capital asset as per the reporting standard.</p>
7.3	<p><b>Accrued expenditure payable</b></p> <p>Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department and the payment for the goods or services had not taken place as at year end.</p> <p>Accrued expenditure payable is measured at cost.</p>
7.4	<p><b>Leases</b></p>
7.4.1	<p><b>Operating leases</b></p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
7.4.2	<p><b>Finance leases</b></p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> <li>cost, being the fair value of the asset; or</li> <li>the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul>

<b>8</b>	<b>Aid Assistance</b>
<b>8.1</b>	<p><b>Aid assistance received</b></p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
<b>8.2</b>	<p><b>Aid assistance paid</b></p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
<b>9</b>	<p><b>Cash and cash equivalents</b></p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position.</p> <p>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.</p>
<b>10</b>	<p><b>Prepayments and advances</b></p> <p>Prepayments and advances are recognised in the statement of financial position when the Department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p>
<b>11</b>	<p><b>Loans and receivables</b></p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
<b>12</b>	<p><b>Investments</b></p> <p>Investments are recognised in the statement of financial position at cost.</p>
<b>13</b>	<p><b>Impairment of financial assets</b></p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
<b>14</b>	<p><b>Payables</b></p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>
<b>15</b>	<b>Capital Assets</b>

15.1	<p><b>Immovable capital assets</b></p> <p>Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.</p> <p>All assets acquired prior to 1 April 2005 may be recorded at R1.</p> <p>The Department records assets transferred to it through the PFMA section 42 process and the amount that the accounting officers have agreed on in the transfer.</p> <p>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another Department in which case the completed project costs are transferred to that Department.</p> <p>Work in progress expenditure that relates to the capacity improvement of an asset is measured at cost (capital expenditure) and once a project is practically completed and ready for use, the cost is capitalised to the relevant asset on the asset register and included in the assets disclosures under non cash additional as the total project costs incurred.</p> <p>Work in progress, relating to assets not under the control of the Department, is transferred to the relevant Department once the project is practically completed and the asset is ready for use. This transfer is in the form of a PFMA section 42 transfer and is at the total project cost incurred by the department.</p>
15.2	<p><b>Movable capital assets</b></p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2005 may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another Department/entity in which case the completed project costs are transferred to that Department.</p>
15.3	<p><b>Intangible assets</b></p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the Department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2005 may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another Department/entity in which case the completed project costs are transferred to that Department.</p>

<b>16</b>	<b>Provisions and Contingents</b>
<b>16.1</b>	<p><b>Provisions</b></p> <p>Provisions are recorded in the notes to the financial statements 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 or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
<b>16.2</b>	<p><b>Contingent liabilities</b></p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably</p>
<b>16.3</b>	<p><b>Contingent assets</b></p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department</p>
<b>16.4</b>	<p><b>Commitments</b></p> <p>Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the Department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash</p>
<b>17</b>	<p><b>Unauthorised expenditure</b></p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
<b>18</b>	<p><b>Fruitless and wasteful expenditure</b></p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>



19	<p><b>Irregular expenditure</b></p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p><b>Changes in accounting policies, accounting estimates and errors</b></p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
21	<p><b>Non-adjusting events after the reporting date</b></p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
22	<p><b>Recoverable revenue</b></p> <p>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 transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
23	<p><b>Related party transactions</b></p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions are recorded in the notes to the financial statements when the transaction is not at arm's length. The Free State Fleet Management is a related party to the Department of Police Roads and Transport.</p>
24	<p><b>Agent-Principal arrangements</b></p> <p>The Department is acting as a principal when it has the power to exercise beneficial control over an activity. The department has beneficial control when it has both the power to direct the activity and the ability to benefit from that power. Benefits can consist of economic benefits, service potential or both.</p> <p>Activities would consist of events, tasks or processes that give rise to a flow of economic benefits or service potential between the Department and other parties.</p> <p>Where the Department acts as a principal it discloses the following in the notes to the financial statements:</p> <ul style="list-style-type: none"> <li>the total payments made to its agents (where applicable) during the period; and</li> <li>an explanation about the nature, circumstances and terms relating to the arrangements.</li> </ul>



25	<p><b>Key Management Personnel</b></p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Department. All officials from level 14 and above are deemed to be key management personnel. Employees on level 13 or below acting for key management of level 14 and above during the financial year are also included in the note. Remuneration paid to key management personnel includes short-term employee benefits, post-employee benefits, other long term employee benefits and termination benefits. Remuneration paid to close family members of key management personnel is also disclosed in the note.</p>
26	<p><b>Public Private Partnerships</b></p> <p>The following information related to Public Private Partnerships is disclosed as secondary financial information:</p> <ul style="list-style-type: none"> <li>a) a description of the nature and amount of any contract fees received from parties to the PPP arrangement;</li> <li>b) a general description of the significant terms of the agreement, along with the parties to the agreement, and the date of commencement thereof;</li> <li>c) contract fees paid indicating the fixed and indexed components of the payments;</li> <li>d) an analysis of the indexed component of the contract fees paid;</li> <li>e) the value of any rights, tangible or intangible capital assets and loans provided for in terms of the PPP agreement; and</li> <li>f) the value of prepayments and advances, pre-production obligations and/or any other obligations the Department might have in terms of the PPP agreement.</li> </ul>

## 1. Annual Appropriation

### 1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

		2014/15		2013/14
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
Administration	213 915	213 915	-	196 413
Civilian Oversight	9 004	9 004	-	8 354
Crime Prevention and Community Police Relations	15 511	15 511	-	11 822
Transport Operations	256 147	256 147	-	248 480
Transport Regulations	352 639	352 639	-	290 246
Transport Infrastructure	1 581 682	1 581 682	-	1 748 417
<b>Total</b>	<b>2 428 898</b>	<b>2 428 898</b>	<b>-</b>	<b>2 503 732</b>

All funds requested were received during the financial year.

### 1.2 Conditional grants

	Note	2014/15	2013/14
		R'000	R'000
Total grants received	<u>36</u>	1 826 232	1 961 799
Provincial grants included in Total Grants received		1 261 338	1 399 925

The comparatives have been restated as the amounts in the prior year did not reflect the amounts as per the final appropriation.

## 2. Departmental revenue

	Note	2014/15 R'000	2013/14 R'000
Tax revenue		489 171	446 855
Sales of goods and services other than capital assets	2.1	69 675	72 684
Fines, penalties and forfeits	2.2	14 544	13 472
Interest, dividends and rent on land	2.3	291	213
Transactions in financial assets and liabilities	2.4	2 898	877
Total revenue collected		<b>576 579</b>	<b>534 101</b>
Less: Own revenue included in appropriation	14	69 804	38 070
<b>Departmental revenue collected</b>		<b>506 775</b>	<b>496 031</b>

### 2.1 Sales of goods and services other than capital assets

	Note	2014/15 R'000	2013/14 R'000
	<u>2</u>		
Sales of goods and services produced by the Department		69 675	72 684
Sales by market establishment		2	9
Administrative fees		68 441	71 730
Other sales		1 232	945
Sales of scrap, waste and other used current goods		-	-
<b>Total</b>		<b>69 675</b>	<b>72 684</b>

### 2.2 Fines, penalties and forfeits

	Note	2014/15 R'000	2013/14 R'000
	<u>2</u>		
Fines		14 544	13 472
<b>Total</b>		<b>14 544</b>	<b>13 472</b>

### 2.3 Interest, dividends and rent on land

	Note	2014/15 R'000	2013/14 R'000
	<u>2</u>		
Interest		291	213
<b>Total</b>		<b>291</b>	<b>213</b>

## 2.4 Transactions in financial assets and liabilities

	Note	2014/15	2013/14
	<u>2</u>	R'000	R'000
Loans and advances		-	-
Receivables		312	610
Forex gain		-	-
Stale cheques written back		1	11
Other Receipts including Recoverable Revenue		2 585	256
Gains on GFECRA		-	-
<b>Total</b>		<b>2 898</b>	<b>877</b>

## 3. Aid assistance

	Note	2014/15	2013/14
		R'000	R'000
Opening Balance		-	-
Transferred from statement of financial performance	3.1	216	-
Transfers to or from retained funds		-	-
Paid during the year		-	-
<b>Closing Balance</b>		<b>216</b>	<b>-</b>

### 3.1 Analysis of balance by source

	Note	2014/15	2013/14
		R'000	R'000
Aid assistance from RDP	3	-	-
Aid assistance from other sources		216	-
CARA		-	-
<b>Closing balance</b>		<b>216</b>	<b>-</b>

### 3.2 Analysis of balance

	Note	2014/15	2013/14
		R'000	R'000
Aid assistance unutilised	3	216	-
<b>Closing balance</b>		<b>216</b>	<b>-</b>

**4. Compensation of employees****4.1 Salaries and Wages**

	Note	2014/15 R'000	2013/14 R'000
Basic salary		351 809	332 273
Performance award		6 541	4 933
Service Based		1 876	1 551
Compensative/circumstantial		20 478	16 216
Periodic payments		29	183
Other non-pensionable allowances		61 321	61 149
<b>Total</b>		<b>442 054</b>	<b>416 305</b>

**4.2 Social contributions**

	Note	2014/15 R'000	2013/14 R'000
Employer contributions			
Pension		45 078	41 753
Medical		29 499	31 197
UIF		-	-
Bargaining council		320	169
Official unions and associations		-	-
Insurance		-	-
<b>Total</b>		<b>74 897</b>	<b>73 119</b>

**Total compensation of employees**

Average number of employees

**516 951**      **489 424**

2 206      2 087



## 5. Goods and services

	Note	2014/15 R'000	2013/14 R'000
Goods and Services			
Administrative fees		9 935	9 475
Advertising		3 053	3 941
Minor assets	5.1	503	604
Bursaries (employees)		160	32
Catering		5 456	3 610
Communication		12 530	11 472
Computer services	5.2	8 902	8 546
Consultants: Business and advisory services		24 987	50 962
Infrastructure and planning services		6	1 150
Legal services		5 405	6 113
Contractors		568 698	111 777
Agency and support / outsourced services		45 029	49 759
Entertainment		9	57
Audit cost – external	5.3	8 881	7 256
Fleet services		49 627	39 455
Inventory	5.4	-	1 153
Consumables	5.5	29 238	31 340
Housing		-	-
Operating leases		85 488	65 550
Property payments	5.6	11	89
Rental and hiring		139	626
Transport provided as part of the Departmental activities		1 577	747
Travel and subsistence	5.7	18 932	19 839
Venues and facilities		220	1 718
Training and development		1 032	2 499
Other operating expenditure	5.8	1 461	2 027
		<b>881 279</b>	<b>429 797</b>

### 5.1 Minor assets

	<b>Note</b>	<b>2014/15</b>	<b>2013/14</b>
	<u>5</u>	<b>R'000</b>	<b>R'000</b>
Tangible assets			
Machinery and equipment		503	604
<b>Total</b>		<b>503</b>	<b>604</b>

### 5.2 Computer services

	<b>Note</b>	<b>2014/15</b>	<b>2013/14</b>
	<u>5</u>	<b>R'000</b>	<b>R'000</b>
SITA computer services		8 820	4 565
External computer service providers		82	3 981
<b>Total</b>		<b>8 902</b>	<b>8 546</b>

### 5.3 Audit cost – External

	<b>Note</b>	<b>2014/15</b>	<b>2013/14</b>
	<u>5</u>	<b>R'000</b>	<b>R'000</b>
Regularity audits		8 881	7 208
Computer audits		-	48
<b>Total</b>		<b>8 881</b>	<b>7 256</b>

### 5.4 Inventory

	<b>Note</b>	<b>2014/15</b>	<b>2013/14</b>
	<u>5</u>	<b>R'000</b>	<b>R'000</b>
Fuel, oil and gas		-	1 153
<b>Total</b>		<b>-</b>	<b>1 153</b>

## 5.5 Consumables

	Note	2014/15	2013/14
	<u>5</u>	R'000	R'000
Consumable supplies		22 204	23 640
Uniform and clothing		3 135	1 811
Household supplies		615	354
Building material and supplies		18 120	21 443
IT consumables		11	12
Other consumables		323	20
Stationery, printing and office supplies		7 034	7 700
<b>Total</b>		<b>29 238</b>	<b>31 340</b>

## 5.6 Property payments

	Note	2014/15	2013/14
	<u>5</u>	R'000	R'000
Property maintenance and repairs		8	88
Other		3	1
<b>Total</b>		<b>11</b>	<b>89</b>

## 5.7 Travel and subsistence

	Note	2014/15	2013/14
	<u>5</u>	R'000	R'000
Local		18 911	18 125
Foreign		21	1 714
<b>Total</b>		<b>18 932</b>	<b>19 839</b>

## 5.8 Other operating expenditure

	Note	2014/15	2013/14
	<u>5</u>	R'000	R'000
Professional bodies, membership and subscription fees		12	1
Resettlement costs		56	1 347
Other		1 393	679
<b>Total</b>		<b>1 461</b>	<b>2 027</b>

## 6. Interest and rent on land

	Note	2014/15 R'000	2013/14 R'000
Interest paid		1 121	120
<b>Total</b>		<b>1 121</b>	<b>120</b>

## 7. Payments for financial assets

	Note	2014/15 R'000	2013/14 R'000
Other material losses written off	7.1	514	-
Debts written off	7.2	194	-
<b>Total</b>		<b>708</b>	<b>-</b>

### 7.1 Other material losses written off

	Note	2014/15 R'000	2013/14 R'000
<b>Nature of losses</b>	7		
Theft and Losses		514	-
<b>Total</b>		<b>514</b>	<b>-</b>

### 7.2 Debts written off

	Note	2014/15 R'000	2013/14 R'000
<b>Nature of debts written off</b>	7		
Thefts and losses		194	-
<b>Total debt written off</b>		<b>194</b>	<b>-</b>

## 8. Transfers and subsidies

	Note	2014/15 R'000	2013/14 R'000
Departmental agencies and accounts	<i>Annex 1A</i>	8 972	25 000
Public corporations and private enterprises	<i>Annex 1B</i>	215 773	209 382
Households	<i>Annex 1C</i>	7 528	7 116
<b>Total</b>		<b>232 273</b>	<b>241 498</b>

Unspent funds transferred to the above beneficiaries

3 800

-

An amount of R3 800 000 was transfer to FS Fleet management for the procurement of a fortified vehicle. As at year-end this has not taken place as yet.

## 9. Expenditure for capital assets

	Note	2014/15 R'000	2013/14 R'000
<b>Tangible assets</b>		776 069	1 029 374
Buildings and other fixed structures	33	750 671	1 023 029
Machinery and equipment	31	25 394	5 606
Land and subsoil assets	33	4	739
<b>Total</b>		<b>776 069</b>	<b>1 029 374</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>	769 590	6 479	776 069
Buildings and other fixed structures	750 671	-	750 671
Machinery and equipment	18 915	6 479	25 394
Land and subsoil assets	4	-	4
<b>Total</b>	<b>769 590</b>	<b>6 479</b>	<b>776 069</b>

### 9.2 Analysis of funds utilised to acquire capital assets – 2013/14

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	1 029 374		1 029 374
Buildings and other fixed structures	1 023 029	-	1 023 029
Machinery and equipment	5 606	-	5 606
Land and subsoil assets	739	-	739
<b>Total</b>	<b>1 029 374</b>	<b>-</b>	<b>1 029 374</b>

### 9.3 Finance lease expenditure included in Expenditure for capital assets

	2014/15	2013/14
	R'000	R'000
<b>Tangible assets</b>		
Machinery and equipment	3 550	3 420
<b>Total</b>	<b>3 550</b>	<b>3 550</b>

## 10. Unauthorised expenditure

### 10.1 Reconciliation of unauthorised expenditure

	Note	2014/15 R'000	2013/14 R'000
Opening balance		41 891	34 671
Unauthorised expenditure – discovered in current year (as restated)		25	10 547
Less: Amounts approved by Parliament/Legislature with funding		(13 749)	-
Less: Amounts approved by Parliament/Legislature without funding		-	(3 327)
Current		-	(3 327)
<b>Unauthorised expenditure awaiting authorisation / written off</b>		<b>28 167</b>	<b>41 891</b>

### 10.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2014/15 R'000	2013/14 R'000
Current	28 167	41 891
<b>Total</b>	<b>28 167</b>	<b>41 891</b>

### 10.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2014/15 R'000	2013/14 R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	28 167	41 891
<b>Total</b>	<b>28 167</b>	<b>41 891</b>

### 10.4 Details of unauthorised expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2014/15 R'000
Overspending of Programme 3	None	25
<b>Total</b>		<b>25</b>

### 10.5 Analysis of unauthorised expenditure to become a charge against the future years appropriation

	2014/15	2013/14
	R'000	R'000
In 2015/2016	28 143	-
<b>Total</b>	<b>28 143</b>	<b>-</b>

### 11. Cash and cash equivalents

	Note	2014/15	2013/14
		R'000	R'000
Consolidated Paymaster General Account		-	302 119
Cash receipts		-	3
Cash on hand		47	36
<b>Total</b>		<b>47</b>	<b>302 158</b>

There are no significant cash and cash equivalent balances held by the Department that are not available for use

There are no undrawn borrowing facilities available for future operating activities or to settle capital commitments.

### 12. Receivables

		2014/15			2013/14
		R'000	R'000	R'000	R'000
	Note	Less than one year	One to three years	Older than three years	Total
Claims recoverable	<u>12.1</u>	1 159	2 771	-	3 930
	<u>Annex 3</u>				7 445
Recoverable expenditure	<u>12.2</u>	59	181	-	240
Staff debt	<u>12.3</u>	984	1 544	1 287	3 815
Fruitless and wasteful expenditure	<u>12.5</u>	-	-	-	-
Other debtors	<u>12.4</u>	738	3 187	3 061	6 986
<b>Total</b>		<b>2 940</b>	<b>7 683</b>	<b>4 348</b>	<b>14 971</b>
					<b>22 335</b>

## 12.1 Claims recoverable

	Note	2014/15	2013/14
	12	R'000	R'000
National Departments		997	949
Provincial Departments		723	1 743
Public entities		2 210	4 753
<b>Total</b>		<b>3 930</b>	<b>7 445</b>

## 12.2 Recoverable expenditure (disallowance accounts)

	Note	2014/15	2013/14
	12	R'000	R'000
Salaries debt		10	4
Disallowance damages and losses		230	230
<b>Total</b>		<b>240</b>	<b>234</b>

## 12.3 Staff debt

	Note	2014/15	2013/14
	12	R'000	R'000
Employee and ex-employees		3 490	2 874
Shortages		7	18
Subsistence and travel		33	75
Telephone		7	52
Breach of contract		278	317
<b>Total</b>		<b>3 815</b>	<b>3 336</b>

## 12.4 Other debtors

	Note	2014/15	2013/14
	12	R'000	R'000
Salaries debt		48	-
Dishonoured cheques		448	348
E-Natis Debt		6 360	6 756
Suppliers		108	3 817
Income Tax		10	-
Communication		12	-
<b>Total</b>		<b>6 986</b>	<b>10 921</b>

### 12.5 Fruitless and wasteful expenditure

	Note	2014/15	2013/14
	12	R'000	R'000
Opening balance		399	399
Less amounts recovered		(399)	-
<b>Total</b>		<b>-</b>	<b>399</b>

### 12.6 Impairment of receivables

	Note	2014/15	2013/14
	12	R'000	R'000
Estimate of impairment of receivables		4 348	2 619
<b>Total</b>		<b>4 348</b>	<b>2 619</b>

### 13. Voted funds to be surrendered to the Revenue Fund

	Note	2014/15	2013/14
		R'000	R'000
Opening balance		320 739	47 284
Transfer from statement of financial performance (as restated)		26 976	310 192
Add: Unauthorised expenditure for current year	10	25	10 547
Paid during the year		(320 739)	(47 284)
<b>Closing balance</b>		<b>27 001</b>	<b>320 739</b>

### 14. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2014/15	2013/14
		R'000	R'000
Opening balance		33 429	823
Transfer from Statement of Financial Performance (as restated)		506 775	496 031
Own revenue included in appropriation		69 804	38 070
Paid during the year		(603 668)	(501 495)
<b>Closing balance</b>		<b>6 340</b>	<b>33 429</b>



## 15. Bank Overdraft

	Note	2014/15 R'000	2013/14 R'000
Consolidated Paymaster General Account		3 569	-
<b>Total</b>		<b>3 569</b>	<b>-</b>

## 16. Payables – current

	Note	2014/15 R'000	2013/14 R'000
Advances received	<a href="#">16.1</a>	122	339
Clearing accounts	<a href="#">16.2</a>	-	79
Other payables	<a href="#">16.3</a>	3 370	6 132
<b>Total</b>		<b>3 492</b>	<b>6 550</b>

### 16.1 Advances received

	Note	2014/15 R'000	2013/14 R'000
	16		
Provincial Departments		122	34
Public entities		-	305
<b>Total</b>		<b>122</b>	<b>339</b>

### 16.2 Clearing accounts

	Note	2014/15 R'000	2013/14 R'000
	16		
SARS Income Tax		-	79
<b>Total</b>		<b>-</b>	<b>79</b>

### 16.3 Other payables

	Note	2014/15 R'000	2013/14 R'000
	16		
E-natis Transactions		3 370	6 132
<b>Total</b>		<b>3 370</b>	<b>6 132</b>

**17. Net cash flow available from operating activities**

Note	2014/15	2013/14
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	533 967	806 223
Add back non cash/cash movements not deemed operating activities	(60 479)	514 266
(Increase)/decrease in receivables – current	7 364	(8 529)
(Increase)/decrease in other current assets	13 749	3 327
Increase/(decrease) in payables – current	(3 058)	803
Expenditure on capital assets	776 069	1 029 374
Surrenders to Revenue Fund	(924 407)	(548 779)
Own revenue included in appropriation	69 804	38 070
<b>Net cash flow generated by operating activities</b>	<b>473 488</b>	<b>1 320 489</b>

**18. Reconciliation of cash and cash equivalents for cash flow purposes**

Note	2014/15	2013/14
	R'000	R'000
Consolidated Paymaster General account	(3 569)	302 119
Cash receipts	-	3
Cash on hand	47	36
<b>Total</b>	<b>(3 522)</b>	<b>302 158</b>

**19. Contingent liabilities and contingent assets****19.1 Contingent liabilities**

Note	2014/15	2013/14
	R'000	R'000
<b>Liable to Nature</b>		
Claims against the Department	Annex 3B 128 421	165 098
Intergovernmental payables (unconfirmed balances)	Annex 5 -	18
Environmental rehabilitation liability	Annex 3B 4 461 079	-
<b>Total</b>	<b>4 589 500</b>	<b>165 116</b>

The amount of contingent liabilities is dependent on the outcome of court cases occurring in the future, which will be finalised in the future.

Movement in the amounts are due to additional claims, liabilities paid, liabilities cancelled or reduced for the year.

The Environmental Rehabilitation Liability relates to the quarries that were only transferred from the Department of Public Works and Infrastructure during the 14/15 financial year. Therefore no comparative information is disclosed.

The comparatives were restated, refer to note 35.

## 19.2 Contingent assets

Note	2014/15 R'000	2013/14 R'000
Pending case: Dombo Du Plessis	35 038	35 038
<b>Total</b>	<b>35 038</b>	<b>35 038</b>

All contingent assets have been disclosed.

## 20. Commitments

Note	2014/15 R'000	2013/14 R'000
<b>Current expenditure</b>		
Approved and contracted	43 355	38 188
Approved but not yet contracted	-	1 290
	43 355	39 478
<b>Capital expenditure</b>		
Approved and contracted	403 857	477 552
Approved but not yet contracted	-	2 203
	403 857	479 755
<b>Total Commitments</b>	<b>447 212</b>	<b>519 233</b>

Commitments for projects that will continue for longer than a year is R353 863 474. This represents 15 projects.

## 21. Accruals and payables not recognised

			2014/15 R'000	2013/14 R'000
<b>Listed by economic classification</b>				
	30 Days	30+ Days	Total	Total
Other	217	12	229	6
Goods and services	86 438	7 102	93 540	68 735
Transfers and subsidies	86	118	204	183
Capital assets	19 842	-	19 842	9 942
<b>Total</b>	<b>106 583</b>	<b>7 232</b>	<b>113 815</b>	<b>78 866</b>

	Note	2014/15 R'000	2013/14 R'000
Programme 1: Administration		13 169	16 689
Programme 2: Civilian Oversight		21	16
Programme 3: Crime Prevention and Community, Police Relations		209	69
Programme 4: Transport Operations		16 042	4 939
Programme 5: Transport Regulation		3 398	16 404
Programme 6: Transport Infrastructure		80 976	40 749
<b>Total</b>		<b>113 815</b>	<b>78 866</b>

	Note	2014/15 R'000	2013/14 R'000
Confirmed balances with other Departments	Annex 5	409	1 355
Confirmed balances with other government entities	Annex 5	133	38 652
<b>Total</b>		<b>542</b>	<b>40 007</b>

The following material accruals have been included: Tau Pele R6 261 121; RTMC R1 925 604; SAPS R1 224 34. Comparative information for Accruals was restated, for more detail refer to note 35.

## 22. Employee benefits

	Note	2014/15 R'000	2013/14 R'000
Leave entitlement		26 156	25 004
Service bonus (Thirteenth cheque)		15 194	13 575
Performance awards		7 218	6 541
Capped leave commitments		39 436	41 044
Other		1 116	1 766
<b>Total</b>		<b>89 120</b>	<b>87 930</b>

Leave entitlement amount includes leave credits with a negative value of R303 796 (2014: R307 000) respectively. The comparatives have been restated to include the long term service awards, performance awards and to correct the leave entitlement. Refer to note 35.

There is a long term portion of the long service award. The provision on the long service awards provision disclosed above does not include the long term portion of the long service awards.

## 23. Lease commitments

### 23.1 Operating leases expenditure

2014/15	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	23 393	23 393
Later than 1 year and not later than 5 years	-	-	-	17 187	17 187
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40 580</b>	<b>40 580</b>

2013/14	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	17 705	17 705
Later than 1 year and not later than 5 years	-	-	-	18 962	18 962
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36 667</b>	<b>36 667</b>

The Department has entered into a SLA with Fleet management for the provision of vehicles. This is an operating lease



## 23.2 Finance leases expenditure\*\*

2014/15	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	3 798	3 798
Later than 1 year and not later than 5 years	-	634	634
<b>Total lease commitments</b>	-	<b>4 432</b>	<b>4 432</b>

2013/14	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	4 894	4 894
Later than 1 year and not later than 5 years	-	3 744	3 744
<b>Total lease commitments</b>	-	<b>8 638</b>	<b>8 638</b>

The primary lease arrangements consist of fax and photocopier machines as well as voice/data contracts. The Department rents 152 photo copiers over a lease term of 36 months. The Departments rents 83 Data Contracts over a lease term of 24 months and 196 Voice Contracts varying according to the contract terms.

There are no sub-leased assets by the Department.

The Department does not have any renewal or purchase options.

There are no escalation clauses in the lease agreements and the fees are standard for the term of the agreement.

There are no material restrictions imposed on the Department for any of the lease agreements. No sale and lease back agreements

## 24. Accrued Departmental revenue

	Note	2014/15 R'000	2013/14 R'000
Tax revenue		-	1 102
Fines, penalties and forfeits		114 310	73 117
<b>Total</b>	<b>24.1</b>	<b>114 310</b>	<b>74 219</b>

There was an overpayment by the SA Postal Services and therefore there is no tax revenue in the current year. The comparative has been restated for traffic, please refer to note 35.

#### 24.1 Analysis of accrued Departmental revenue

	Note	2014/15	2013/14
	24	R'000	R'000
Opening balance		74 219	37 132
Less: amounts received		6 599	6 741
Add: amounts recognised		48 331	46 162
Less: amounts written-off/reversed as irrecoverable		1 641	2 334
<b>Closing balance</b>		<b>114 310</b>	<b>74 219</b>

#### 24.2 Accrued Department revenue written off

	Note	2014/15	2013/14
	24	R'000	R'000
Nature of losses			
Write down of court settlements		1 641	2 334
<b>Total</b>		<b>1 641</b>	<b>2 334</b>

#### 24.3 Impairment of accrued Departmental revenue

	Note	2014/15	2013/14
	24	R'000	R'000
Estimate of impairment of accrued Departmental revenue		87 574	50 467
<b>Total</b>		<b>87 574</b>	<b>50 467</b>

**25. Irregular expenditure****25.1 Reconciliation of irregular expenditure**

	Note	2014/15 R'000	2013/14 R'000
Opening balance		101 046	65 791
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		3 085	35 255
Less: Prior year amounts condoned		(54 033)	-
<b>Closing balance</b>		<b>50 098</b>	<b>101 046</b>

**Analysis of awaiting condonation per age classification**

Current year	3 085	35 255
Prior years	47 013	65 791
<b>Total</b>	<b>50 098</b>	<b>101 046</b>

The comparatives have been restated. Refer to Note 44.

**25.2 Details of irregular expenditure – current year**

Incident	Disciplinary steps taken/criminal proceedings	2014/15 R'000
Non-compliance with SCM requirements	None	3 085
<b>Total</b>		<b>3 085</b>

**25.3 Details of irregular expenditure condoned**

Incident	Condoned by (condoning authority)	2014/15 R'000
Non-compliance with SCM requirements	HOD	54 033
<b>Total</b>		<b>54 033</b>

**25.4 Details of irregular expenditures under investigation**

Incident	2014/15 R'000
Irregular expenditure awaiting condonation	49 898
<b>Total</b>	<b>49 898</b>

## 25.5 Prior period error

	Note	2013/14
	25	R'000
Nature of prior period error		
Relating to 2013/14		
Irregular Expenditure Incorrectly Included		(9 572)
		-
<b>Total</b>		<b>(9 572)</b>

Expenditure was incorrectly classified as irregular in the prior year, refer to note 35

## 26. Fruitless and wasteful expenditure

### 26.1 Reconciliation of fruitless and wasteful expenditure

	Note	2014/15	2013/14
		R'000	R'000
Opening balance		956	265
Fruitless and wasteful expenditure – relating to current year		1 121	691
Less: Amounts resolved		(1 121)	-
<b>Fruitless and wasteful expenditure awaiting resolution</b>		<b>956</b>	<b>956</b>

### 26.2 Analysis of awaiting resolution per economic classification

	2014/15	2013/14
	R'000	R'000
Current	956	956
<b>Total</b>	<b>956</b>	<b>956</b>

### 26.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2014/15
		R'000
Court order to pay outstanding interest component of the applicant's claim	None	1 070
Interest and penalties to SARS	None	51
<b>Total</b>		<b>1 121</b>

## 27. Related party transactions

Revenue received	Note	2014/15 R'000	2013/14 R'000
Sales of goods and services other than capital assets		4 614	3 806
<b>Total</b>		<b>4 614</b>	<b>3 806</b>

Payments made	Note	2014/15 R'000	2013/14 R'000
Goods and services		160 479	125 954
Expenditure for capital assets		5 497	-
Transfers		3 800	20 000
<b>Total</b>		<b>169 776</b>	<b>145 954</b>

	Note	2014/15 R'000	2013/14 R'000
Year end balances arising from revenue/payments			
Receivables from related parties		188	410
Payables to related parties		33 221	38 652
<b>Total</b>		<b>33 409</b>	<b>39 062</b>

The Department has a related party relationship with Free State Fleet Management as they both fall under the MEC.

## 28. Key management personnel

	No. of Individuals	2014/15 R'000	2013/14 R'000
Political office bearers (provide detail below)	1 (1)	1 822	1 735
Officials:			
Level 15 to 16	1 (1)	1 946	1 784
Level 14 (incl. CFO if at a lower level)	6 (6)	6 858	5 996
<b>Total</b>		<b>10 626</b>	<b>9 515</b>



## 29. Public Private Partnership

	Note	2014/15 R'000	2013/14 R'000
<b>Contract fee paid</b>		<b>14 240</b>	<b>1 720</b>
Fixed component		14 240	1 720
Indexed component		-	-

Any guarantees issued by the Department are disclosed in Note 25.1

The Department has not formulated an entity to administer the PPP Harrismith Logistic Hub project, therefore no global contract has been entered into. The project is at the implementing stage therefore expenditure incurred is for the feasibility studies.

## 30. Non-adjusting events after reporting date

Nature of event	2014/15 R'000
The Department is set to take over the function of learner transport in the province. This function will be transferred to the Department from the Department of Education.	
The total estimated increase in the Department's budget is	
There will also be 1 official that will transfer to the Department from Education.	
	40 000
There are no other transfers in this regard.	
<b>Total</b>	<b>40 000</b>

## 31. 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>	19 570	21 844	-	41 414
Transport assets	471	5 497	-	5 968
Computer equipment	9 643	2 229	-	11 872
Furniture and office equipment	4 873	596	-	5 469
Other machinery and equipment	4 583	13 522	-	18 105
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>19 570</b>	<b>21 844</b>	<b>-</b>	<b>41 414</b>

**Movable Tangible Capital Assets under investigation**

Number	Value R'000
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Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:

Machinery and equipment	740	4
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Assets are under investigation to determine their receipt date as this will have an impact on their value.

**31.1 Additions****ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015**

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	25 394	-	(3 550)	-	21 844
Transport assets	5 497	-	-	-	5 497
Computer equipment	2 229	-	-	-	2 229
Furniture and office equipment	596	-	-	-	596
Other machinery and equipment	17 072	-	(3 550)	-	13 522
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>25 394</b>	<b>-</b>	<b>(3 550)</b>	<b>-</b>	<b>21 844</b>

### 31.2 Movement for 2013/14

#### MOVEMENT IN 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>	17 384	-	2 186	-	19 570
Transport assets	471	-	-	-	471
Computer equipment	8 251	-	1 392	-	9 643
Furniture and office equipment	4 163	-	710	-	4 873
Other machinery and equipment	4 499	-	84	-	4 583
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>17 384</b>	<b>-</b>	<b>2 186</b>	<b>-</b>	<b>19 570</b>

### 31.3 Minor assets

#### MOVEMENT IN MINOR ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Intangible assets	Heritage assets	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
Opening balance	-	40	18 789	18 829
Additions	-	-	503	503
Disposals	-	-	-	-
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>40</b>	<b>19 292</b>	<b>19 332</b>

	Intangible assets	Heritage assets	Machinery and equipment	Total
Number of R1 minor assets	-	4	617	621
Number of minor assets at cost	-	46	31 674	31 720
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>50</b>	<b>32 291</b>	<b>32 341</b>

### MOVEMENT IN MINOR ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	-	40	18 254	18 294
Additions	-	-	604	604
Disposals	-	-	69	69
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>40</b>	<b>18 789</b>	<b>18 829</b>

### MOVEMENT IN MINOR ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014 (continued)

	Intangible assets	Heritage assets	Machinery and equipment	Total
Number of R1 minor assets	-	4	5 804	5 808
Number of minor assets at cost	-	46	25 514	25 560
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>50</b>	<b>31 318</b>	<b>31 368</b>

### 31.4 Movable assets written off

#### MOVABLE ASSET WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2015

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Assets written off	-	276	276
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>276</b>	<b>276</b>

#### MOVABLE ASSET WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2014

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Assets written off	-	69	69
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>69</b>	<b>69</b>

## 32. 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
SOFTWARE	238	-	-	238
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>238</b>	<b>-</b>	<b>-</b>	<b>238</b>

#### 32.1 Movement for 2013/14

### 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
SOFTWARE	238	-	-	238
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>238</b>	<b>-</b>	<b>-</b>	<b>238</b>



### 33. Immovable Tangible Capital Assets

#### MOVEMENT IN IMMOVABLE 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>BUILDINGS AND OTHER FIXED STRUCTURES</b>	2 161 414	37 185 839	29 291	39 317 962
Dwellings	-	-	-	-
Non-residential buildings	9 613	19 678	-	-
Other fixed structures	2 151 801	37 166 161	29 291	39 317 962
		-	-	
<b>HERITAGE ASSETS</b>	-	-	-	-
Heritage assets	-	-	-	-
		-	-	
<b>LAND AND SUBSOIL ASSETS</b>	-	22 620	-	22 620
Land	-	-	-	-
Mineral and similar non-regenerative resources	-	22 620	-	22 620
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>2 161 414</b>	<b>37 208 459</b>	<b>29 291</b>	<b>39 340 582</b>

#### Immovable Tangible Capital Assets under investigation

	Number	Value R'000
<b>Included in the above total of the immovable tangible capital assets per the asset register are assets that are under investigation:</b>		
Buildings and other fixed structures	-	-
Land and subsoil assets	210	1 098

There were an additional 210 Quarries identified by the Department that were not transferred from Department of Public Works, these are being investigated to ensure their existence and extent.

### 33.1 Additions

#### ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	750 671	37 185 839	(750 671)	-	37 185 839
Dwellings	-	-	-	-	-
Non-residential buildings	19 678	19 678	(19 678)	-	19 678
Other fixed structures	730 993	37 166 161	(730 993)	-	37 166 161
					-
<b>LAND AND SUBSOIL ASSETS</b>	4	22 620	(4)	-	22 620
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	4	22 620	(4)	-	22 620
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>750 675</b>	<b>37 208 459</b>	<b>(750 675)</b>	<b>-</b>	<b>37 208 459</b>

Non-cash additions include projects that have been completed in the year as well as assets transferred from Department of Public Works and Infrastructure.

**33.2 Disposals****DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2015**

	Sold for cash	Transfer out or de- stroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	29 291	29 291	-
Dwellings	-	-	-	-
Non-residential buildings	-	29 291	29 291	-
Other fixed structures	-	-	-	-
<b>LAND AND SUBSOIL ASSETS</b>	-	-	-	-
Land	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-
<b>TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	-	29 291	29 291	-

The disposal of assets refers to the transfer of completed projects on buildings to the Department of Public Works and Infrastructure

### 33.3 Movement for 2013/14

#### MOVEMENT IN IMMOVABLE 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>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	-	2 161 414	-	2 161 414
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	9 613	-	9 613
Other fixed structures	-	-	2 151 801	-	2 151 801
<b>LAND AND SUBSOIL ASSETS</b>	-	-	-	-	-
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-	-
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	-	-	2 161 414	-	2 161 414

#### 33.3.1 Prior period error

	Note	2013/14
	33	R'000
Nature of prior period error		
Relating to 2013/14		
Non-residential buildings additions capitalised was understated		9 613
Other fixed structures additions capitalised was understated		736 164
<b>Total</b>		<b>745 777</b>

Immovable assets was incorrectly reported in the prior year as there were completed projects not included in the comparative additions, also refer to note 35

### 34. Agent-principal arrangements

#### 34.1 Department acting as the principal

	2014/15	2013/14
	R'000	R'000
Road Traffic Management Corporation (RTMC)	22 090	23 713
PRODIBA	8 810	8 631
AARTO	1 899	997
<b>Total</b>	<b>32 799</b>	<b>33 341</b>

The Department collects money for the renewal of the motor vehicle licences on behalf of the RTMC and PRODIBA. Furthermore, for AARTO on traffic fines.

#### 34.2 Department acting as the agent

##### 34.2.1 Revenue received for agency activities

	2014/15	2013/14
	R'000	R'000
South African Post Office (SAPO)	128 374	101 404
<b>Total</b>	<b>128 374</b>	<b>101 404</b>

SAPO collects motor vehicle fees on behalf of the Department.

### 35. Prior period errors

#### 35.1 Correction of prior period errors

	Note	2013/14
		R'000
Expenditure:		
Decrease in Irregular Expenditure		(9 572)
<b>Net effect</b>		<b>(9 572)</b>

During the 2015 financial year it was discovered that expenditure for the prior year was incorrectly included as part of Irregular Expenditure.



### Correction of prior period errors (continued)

	Note	2013/14 R'000
Assets:		
Increase in Immovable assets (Non-residential)		9 613
Increase in Immovable assets (Other fixed structures)		736 164
Increase in Accrued Departmental Revenue (Opening balance)		1 655
Decrease in Accrued Departmental Revenue (Amount received)		(3 446)
Increase in Accrued Departmental Revenue (Amount recognised)		6 080
Decrease in Accrued Departmental Revenue (Written-off)		(1 446)
<b>Net effect</b>		<b>748 620</b>

During the 2015 financial year it was discovered that Immovable assets for the prior year were incorrectly understated and not all Accrued Revenue, traffic fine books, were included in the prior year.

	Note	2013/14 R'000
Liabilities:		
Increase in Accruals (Goods and Services)		5 744
Increase in Accruals (Transfers and Subsidies)		183
Decrease in Accruals (Other)		(5 928)
Decrease in Employee Benefit (Leave entitlement)		(2 553)
Increase in Employee Benefit (Long Service Awards)		1 766
Increase in Employee Benefit (Performance Awards)		6 541
Increase in Contingent Liabilities		1 647
<b>Net effect</b>		<b>7 400</b>

During the 2015 financial year it was discovered that accruals amounting to R5 928' was incorrectly classified as "Other Accruals". The Leave Accrual was incorrectly included as part of Employee Benefits in the prior year, the leave accrual should have been deducted from the leave entitlement instead. The Provision for Long Service Awards and Performance Awards was not included in the prior year. Contingent liabilities for the prior year were incorrectly understated.

### 36. Financial sustainability

The cumulative financial implications of note 10 (unauthorised expenditure to become a charge against future years appropriation), note 16 (payables), note 21 (accruals) will result in a decrease in the 2015/2016 budget available for program expenditure equal to the aggregate amount of these items, which may impact on the delivery of services and the achievement of annual performance plan targets set for the coming year.

## 37. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION						SPENT			2013/14	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by Department	Amount spent by Department	Under / (Over-spending)	% of available funds spent by Department	Division of Revenue Act	Amount spent by Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Public Transport Operating Grant	215 900	-	-	-	215 900	215 900	215 774	126	100%	209 382	209 382
Provincial Roads Maintenance Grant	1 025 682	235 656	-	-	1 261 338	1 261 338	1 261 445	(107)	100%	1 399 925	1 138 167
EPWP Integrated Grant to Province	4 635	-	-	-	4 635	4 635	4 633	2	100%	3 000	3 000
Infrastructure Enhancement Allocation	374 225	-	(48 000)	(5 600)	320 625	320 625	299 296	21 329	93%	349 492	300 632
Revenue enhancement allocation grant	23 734	-	-	-	23 734	23 734	23 991	(257)	101%	-	-
	<b>1 644 176</b>	<b>235 656</b>	<b>(48 000)</b>	<b>(5 600)</b>	<b>1 826 232</b>	<b>1 826 232</b>	<b>1 805 139</b>	<b>21 093</b>		<b>1 961 799</b>	<b>1 651 181</b>

Departments are reminded of the requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of the province.

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ AC-COUNT	TRANSFER ALLOCATION				TRANSFER		2013/14
	Adjusted Appro-pria- tion	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Free State Fleet Management	-	-	3 800	3 800	3 800	100%	-
Free State Taxi Council	5 000	-	-	5 000	5 000	100%	-
Icasa Licenses	-	-	175	175	172	98%	-
	<b>5 000</b>		<b>3 975</b>	<b>8 975</b>	<b>8 972</b>		-

The amount transferred to FS Fleet management has not been spent as at year-end and will be utilised in the 2015/2016 financial year.

## ANNEXURE 1B

## STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2013/14
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Subsidies									
Itumele Bus Lines t/a Interstate Bus lines (IBL)	177 038	-	-	177 038	177 836	100.5%	-	-	-
Scopeful 21 (Pty) LTD t/a Maluti Bus Services	37 703	-	-	37 703	37 427	99.3%	-	-	-
GS Thebeagae Bus Services	1 159	-	-	1 159	510	44.0%	-	-	-
<b>Sub-total Private enterprises</b>	215 900	-	-	215 900	215 773	99.9%	-	-	-
<b>TOTAL</b>	<b>215 900</b>	<b>-</b>	<b>-</b>	<b>215 900</b>	<b>215 773</b>	<b>99.9%</b>	<b>-</b>	<b>-</b>	<b>-</b>

## ANNEXURE 1C

### STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2013/14
	Adjusted	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
<b>Transfers</b>							
Injury on Duty	27	-	-	27	-	0%	250
Leave Gratuity	2 303	-	1 710	4 013	6 311	157%	4 060
Claims against the state	55	-	1 210	1 265	1 217	96%	2 143
<b>Total</b>	<b>2 385</b>	<b>-</b>	<b>2 920</b>	<b>5 305</b>	<b>7 528</b>	<b>-</b>	<b>6 453</b>

## ANNEXURE 1D

### STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
<b>Received in cash</b>					
Road Traffic Management Corporation		-	83 448	83 232	216
<b>TOTAL</b>		<b>-</b>	<b>83 448</b>	<b>83 232</b>	<b>216</b>



## ANNEXURE 1E

## STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2014/2015 R'000	2013/2014 R'000
Received in kind			
Free State Fleet Management	Donation received of 5 vehicles	388	-
<b>TOTAL</b>		<b>388</b>	<b>-</b>

**ANNEXURE 1F**

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

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2014/2015 R'000	2013/2014 R'000
<b>Made in kind</b>			
ST Andrew School			116
Mamzo Development Services (Catering for the state funeral – Teboho Motsie)			162
Abaphumeleli Trading (Equipment for state funeral – Teboho Motsie)			93
SAPS Choir		50	100
Live performance at a funeral - Late Captain Moloi(SAPS)			
Accommodation for 60 police officials		62	
Accommodation for Col Jacob Mokhethi		9	
Late Sgt Teboho Motsie's family		93	
Long service awards certificates		22	
Free State Provincial Taxi Council	Donation of 5 vehicles to the council	388	-
<b>TOTAL</b>		<b>624</b>	<b>471</b>

## ANNEXURE 1G

## STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT

Grant Type	Apr 2014 R'000	May 2014 R'000	Jun 2014 R'000	Jul 2014 R'000	Aug 2014 R'000	Sept 2014 R'000	Oct 2014 R'000	Nov 2014 R'000	Dec 2014 R'000	Jan 2015 R'000	Feb 2015 R'000	Mar 2015 R'000	Total R'000
EPWP INTEGRATED GRANT FOR PROVINCES	-	-	-	3 023	(1 252)	-	-	2 549	-	2 549	(2 236)	-	4 633
PROVINCIAL ROADS MAINTENANCE GRANT	7 291	21 504	35 190	43 746	72 328	238 095	35 791	109 743	234 758	25 028	181 431	256 540	1 261 445
PUBLIC TRANSPORT OPERATIONS GRANT	-	18 287	21 861	33 467	-	18 035	34 925	17 535	18 115	-	17 116	36 433	215 774
REVENUE ENHANCEMENT ALLOCATION	-	-	-	-	-	-	7 000	(6 911)	26	9 683	12 417	1 776	23 991
INFRASTRUC- TURE EN- HANCEMENT ALLOCATION	20 303	32 706	28 344	16 488	14 357	10 294	29 103	49 836	15 500	31 912	23 521	26 932	299 296
	<b>27 594</b>	<b>72 497</b>	<b>85 395</b>	<b>96 724</b>	<b>85 433</b>	<b>266 424</b>	<b>106 819</b>	<b>172 752</b>	<b>268 399</b>	<b>69 172</b>	<b>232 249</b>	<b>321 681</b>	<b>1 805 139</b>

## ANNEXURE 2

### STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2015

Nature of Liability	Opening Balance 1 April 2014 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/reduced during the year R'000	Liabilities recov- erable (Provide details hereunder) R'000	Closing Balance 31 March 2015 R'000
<b>Claims against the department</b>					
Road accident claims	155 323	33 780	70 457	-	118 646
Claims for services rendered not paid	9 775	-	-	-	9 775
<b>Subtotal</b>	165 098	33 780	70 457	-	128 421
<b>Environmental Liability</b>					
Land rehabilitation of Quarries	-	4 461 079	-	-	4 461 079
<b>Subtotal</b>	-	4 461 079	-	-	4 461 079
<b>TOTAL</b>	165 098	4 494 859	70 457	-	4 589 499

The comparative (opening balance) has been restated to better reflect the contingent liabilities that the department had at the end of the previous financial year.

## ANNEXURE 3

## CLAIMS RECOVERABLE

Government Entity	Confirmed balance out-standing		Unconfirmed balance outstanding		Total		Cash in transit at year end 2014/15 *	
	31/03/2015 R'000	31/03/2014 R'000	31/03/2015 R'000	31/03/2014 R'000	31/03/2015 R'000	31/03/2014 R'000	Receipt date up to six (6) working days after year end	Amount R'000
<b>Department</b>								
National Department of Correctional Services	-	-	27	27	27	27	-	-
National Department of Sports and Recreation	41	19	-	-	41	19	-	-
National Department of Transport	-	-	883	883	883	883	-	-
National Department of Labour	-	-	46	-	46	-	-	-
NC Provincial Treasury	20	-	-	-	20	-	-	-
Free State DETEA	-	-	3	-	3	-	-	-
FS Public Works	-	-	681	681	681	681	-	-
National Department of Health	-	-	-	20	-	20	-	-
Free State Department of Health	-	-	-	290	-	290	-	-
Department of the Premier	-	-	-	579	-	579	-	-
Department of Agriculture	-	-	-	16	-	16	-	-
Provincial Department of COGTA	-	48	-	39	-	87	-	-
Provincial Department of Education	-	70	-	-	-	70	-	-
Train KRD	-	-	20	20	20	20	-	-
	61	137	1 660	2 555	1 721	2 692	-	-
<b>Other Government Entities</b>								
Fleet Management	-	2 580	1 298	1 959	1 298	4 539	-	-
SANRAL	912	-	-	209	912	209	-	-



Government Entity	Confirmed balance out-standing		Unconfirmed balance outstanding		Total		Cash in transit at year end 2014/15 *	
	31/03/2015 R'000	31/03/2014 R'000	31/03/2015 R'000	31/03/2014 R'000	31/03/2015 R'000	31/03/2014 R'000	Receipt date up to six (6) working days after year end	Amount R'000
Hosmed	-	-	-	5	-	5	-	-
	912	2 580	1 298	2 173	2 210	4 753	-	-
TOTAL	973	2 717	2 958	4 728	3 931	7 445	-	-

## ANNEXURE 4

## INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance out-standing		Unconfirmed balance out-standing		TOTAL		Cash in transit at year end 2014/15 *	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
Current								
FS Department of Premier	343	1 069	-	-	343	1 069	-	-
FS Department of Social Welfare	11	-	-	-	11	-	-	-
FS Department of Public Works	14	4	-	11	14	15	-	-
FS Department of Health	41	-	-	-	41	-	-	-
FS Department of Cooperative governance and traditional affairs	-	4	-	7	-	11	-	-
FS Department of Sports, Arts and culture	-	266	-	-	-	266	-	-
FS Department of Treasury	-	12	-	-	-	12	-	-
<b>Total</b>	<b>409</b>	<b>1 355</b>	<b>-</b>	<b>18</b>	<b>409</b>	<b>1 373</b>	<b>-</b>	<b>-</b>
<b>OTHER GOVERNMENT ENTITY</b>								
Current								
South African Post Office	131	-	-	-	131	-	-	-
South African Police Services	2	-	-	-	2	-	-	-
Free State Fleet management	-	38 652	-	-	-	38 652	-	-

GOVERNMENT ENTITY	Confirmed balance out-standing		Unconfirmed balance out-standing		TOTAL		Cash in transit at year end 2014/15 *	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Total Other entities	133	38 652	-	-	133	38 652	-	-
Total Intergovernmental	542	40 007	-	18	542	40 025	-	-

## ANNEXURE 5

## INVENTORIES

Inventory	Note	Quantity	2014/15 R'000	Quantity	2013/14 R'000
Opening balance		-	-	169	2 809
Add/(Less): Adjustments to prior year balance		-	-	-	-
Add: Additions/Purchases - Cash		-	-	-	-
Add: Additions - Non-cash		-	-	-	-
(Less): Disposals		-	-	-	-
(Less): Issues		-	-	-	-
Add/(Less): Adjustments		-	-	(169)	(2 809)
<b>Closing balance</b>		-	-	-	-

## ANNEXURE 6

### MOVEMENT IN CAPITAL WORK IN PROGRESS

#### MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	54 775	747 036	(177 145)	624 666
Dwellings				-
Non-residential buildings		19 678	(19 678)	-
Other fixed structures	54 775	727 359	(157 467)	624 666
<b>LAND AND SUBSOIL ASSETS</b>	739	4	-	743
Land	-	-	-	-
Mineral and similar non-regenerative resources	739	4	-	743
<b>TOTAL</b>	<b>55 514</b>	<b>747 040</b>	<b>(177 145)</b>	<b>625 409</b>

#### MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Prior period error	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	1 509 763	167 893	538 532	(2 161 414)	54 775
Dwellings					-
Non-residential buildings		8 446	1 166	(9 613)	-
Other fixed structures	1 509 763	159 447	537 366	(2 151 801)	54 775
<b>LAND AND SUBSOIL ASSETS</b>	-	-	739	-	739
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	-	-	739	-	739
<b>TOTAL</b>	<b>1 509 763</b>	<b>167 893</b>	<b>539 271</b>	<b>(2 161 414)</b>	<b>55 514</b>

The work in progress of the comparative year has been restated to accurately reflect the expenditure to date on the projects that have not yet been finalised and to include projects that were previously omitted.



## ANNEXURE 7

## INTER-ENTITY ADVANCES RECEIVED (note 21 AND note 22)

ENTITY	Confirmed balance out-standing		Unconfirmed balance out-standing		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>						
Current						
Subtotal	-	-	-	-	-	-
Non-Current						
Subtotal	-	-	-	-	-	-
<b>PROVINCIAL DEPARTMENTS</b>						
Current						
Other	-	-	122	34	122	34
Subtotal	-	-	122	34	122	34
Non-Current						
Subtotal	-	-	-	-	-	-
<b>PUBLIC ENTITIES</b>						
Current						
Licensing Board				305		305
Subtotal	-	-	-	305	-	305
Non-Current						
Subtotal	-	-	-	-	-	-
<b>TOTAL</b>	-	-	122	339	122	339
Current	-	-	122	339	122	339
Non-current	-	-	-	-	-	-



# PART F

FREE STATE FLEET MANAGEMENT  
TRADING ENTITY







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## GENERAL INFORMATION

### **Accounting Officer**

Mr SJ Msibi

### **Head: Fleet Management**

Mr SO Nair

### **Chief Financial Officer**

Mrs L Dunn-Radile

### **Director: Fleet Operations**

Mr R Botha

### **Director: Security**

Mr S Modise

### **Registered Office**

C/o Rhodes Avenue and Harvey Road

Bloemfontein

Free State

### **Postal Address**

PO Box X20548

Bloemfontein

9300

### **Contact Numbers**

Tel: (051) 400 5200

Fax: (051) 448 1737

### **Bankers**

Standard Bank

173 Nelson Mandela Drive

Bloemfontein

9300

### **Auditors**

Office of the Auditor-General

19 Donald Murray Street, ABSA Building, 2<sup>nd</sup> Floor

Brandwag

Bloemfontein

9300

## REPORT OF THE ACCOUNTING OFFICER

The 2014/15 annual report of Fleet Management is hereby submitted to the Executive Authority and Provincial Treasury as required in terms of section 40(1)(d) of the Public Finance Management Act of 1999 (Act no 1) as amended by Act 29 of 1999.

Free State Fleet Management Trading Entity is a trading entity of the Department of Police, Roads & Transport. It provides fleet management services to Departments and Municipalities based in the Free State Province. The Entity prepares its financial statements in terms of the Statements of Generally Recognised Accounting Practice (GRAP).

The Trading Entity continues to grow and the level of services that it delivers can only be attributable to a dedicated workforce. The impact of the work that Fleet Management has performed, especially the impact that the Road Building Equipment unit has on the road infrastructure at municipal level, has played a major role in improving the living conditions of our communities.

It is with pleasure to note that the Trading Entity continues to provide an excellent service to government institutions in a most cost efficient manner.

The Annual Financial Statements set out on pages 262 to 300 have been approved by the Accounting Officer.



.....  
**Mr SJ Msibi**

**Accounting Officer**

**31 July 2015**



## FINANCIAL REVIEW BY MANAGEMENT

While the 2014/5 financial year saw a continuation of the challenging economic conditions, Fleet Management continued to render an effective and efficient fleet service to government departments and municipalities that are based in the Free State Province. It is with pleasure to note that despite the prevailing economic downturn the entity is financially independent.

At the beginning of the financial year National Treasury appointed a new service provider for the provision of vehicle fleet management services, under the auspices of the RT46 contract as it is commonly referred to. The changeover to a new service provider has caused immense pressures for the management and staff of Fleet Management due to the inability of the service provider to fulfil their legal obligations as contained in the RT46 contract. These challenges occurred throughout the financial year and it has ultimately resulted in Fleet Management referring all concerns to National Treasury. Due to some of the challenges experienced Fleet Management were necessitated to withhold all payments to the service provider – refer to note 5.8.

The entity did not receive a grant for the municipal support program. This has resulted in a significant reduction in the purchases of road building equipment of nearly 90.9% or R19.4 million as reflected in note 5.3.3.

### 1. Financial highlights

#### ❑ Surplus for the period

The Trading Entity's surplus for the financial year under review has decreased by 17.6% as compared to the previous financial year. The decreases in profits is primarily due to a decrease in tariffs charged and grant funding of R20.0 million that was not received from the Department of Police, Roads and Transport.

#### ❑ PROPAC Resolutions

There are no resolutions that were issued to the trading entity during the year under review.

### 2. Revenue

Revenue decreased by 4.7% or R23.5 million to R481.8 million. The following factors were the main contributions towards the decrease:

- ❑ A 100% decrease in the grant funding of R20.0m
- ❑ A decrease of tariffs charged of 14.8% which was due to a decrease in the average price of fuel during the financial year.

### 3. Expenses

The total expenses decreased by 2.3% from R442.0 million to R 431.8 million. The decrease in total expenditure is primarily due to a decrease in operating expenditure of 5.5% to R270.2 million. The following factor contributed towards the decrease in operating expenses:

- ❑ Decrease in fuel expenses due to the average liter price of fuel that decreased as compared to the previous financial year;

There was also an expected increase in administrative expenses of 3.6% which was below the inflationary rate increase.

#### 4. Trade and other receivables from exchange transactions

Total debtors increased by 5.1% to R114.3 million, as compared to the previous financial year. This is primarily due to the slow payments or non-payments by municipalities for services rendered. Due to various measures introduced by the management of Fleet Management the growth rate for debts owed by the municipalities has been reduced as compared to the previous year.

#### 5. Cash

Cash and cash equivalents increased by 93.2%. The increase in cash and cash equivalents is primarily due to the delay for the services rendered under the RT46 contract. The payables, provision for operating expenses and commitments increased by R114.0 million mainly due to the withholding of payments for the RT46 contract and due to a delay with the delivery of vehicles by the manufacturer.

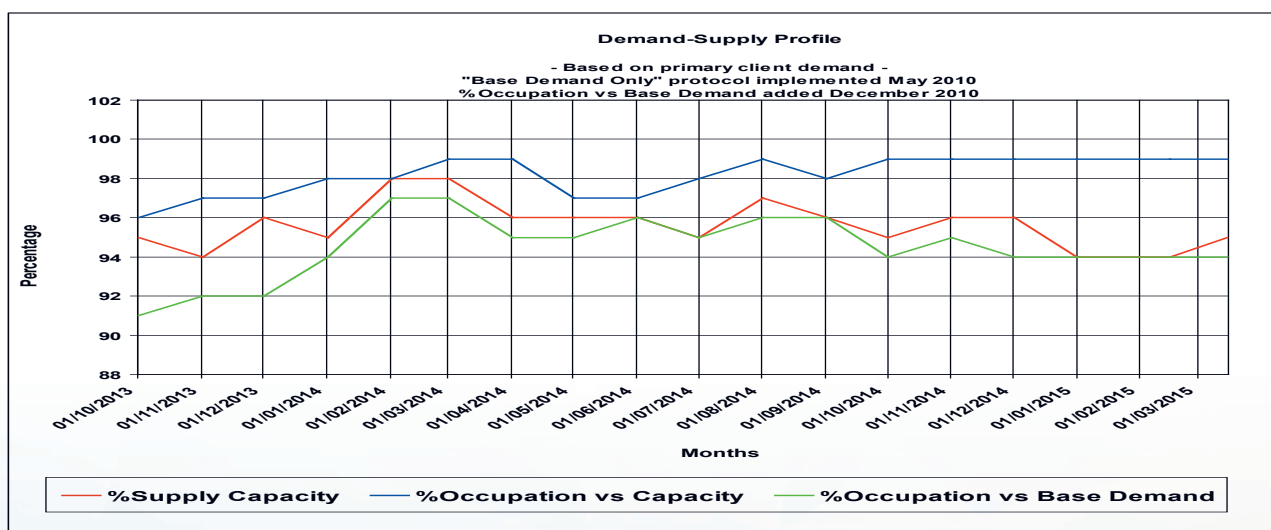
#### 6. Progress related to primary operational programs

Fleet Management manages two key programs within the operational divisions namely:

##### 6.1 Equipment Life-Cycle Management program

All operational programs are regulated by client demands. The alignment of fleet capacity to client demand is measured monthly, and trends in the graphic display, combined with source data analysis determines priorities in the purchase repair and rebuild sub-programs. The fairly level trend since November 2012 was the result of the output from the grader rebuild program, inputs by FM delegates to specification committees at National Treasury, some very specific demand regulated purchases that have been made, and the continuous streamlining of procedures. This process of continuous measurement is an essential element to ensure a sufficient supply capacity to client demand ratio.

##### 6.1.1 Supply-Demand Profile



##### 6.1.2 Profile Analysis

1. Increasing occupation and availability from 2013 until beginning of 2014-2015 financial years. Rebuild and repaired machines becoming available, re-graveling projects undertaken by Roads Infrastructure
2. Fairly stable until October-November 2014.
3. Downscaling in activities at the Road Building unit since November. Demand stable, FM can withdraw underutilized equipment for running and check-up repairs.
4. Conclusion: No serious overall warning signs.

### 6.1.3 Source Data Analysis (Individual shortfalls on supply capacity)

#### Non-Supplies – Cause and Solution

Equipt	Reason	Root Cause	Action	Challenges
GRB, GRD Motor Grader	Oil leaks on rebuilt engines since 2013  Regular breakdowns	Still under investigations  Rebuilds can buy time, but not forever Procurement times Parts quality  Impact Breakages – terrain and application	Investigations, involve ERS, Bfn BW, ALMO  3 Bell delivered and activated. Have to continue with rejuvenation program	Funding at R3m per unit
SRB Rehab trailer	Inadequate numbers in fleet	NA	Purchase. Tender transaction, specs ready	
SGA Grader unit trailer	Inadequate numbers of upgraded units	NA	Local Rebuilds in process	
SFA Fuel trailer	Inadequate numbers of upgraded units	NA	Purchase. Tender transaction, specs ready	

Additional need identified:

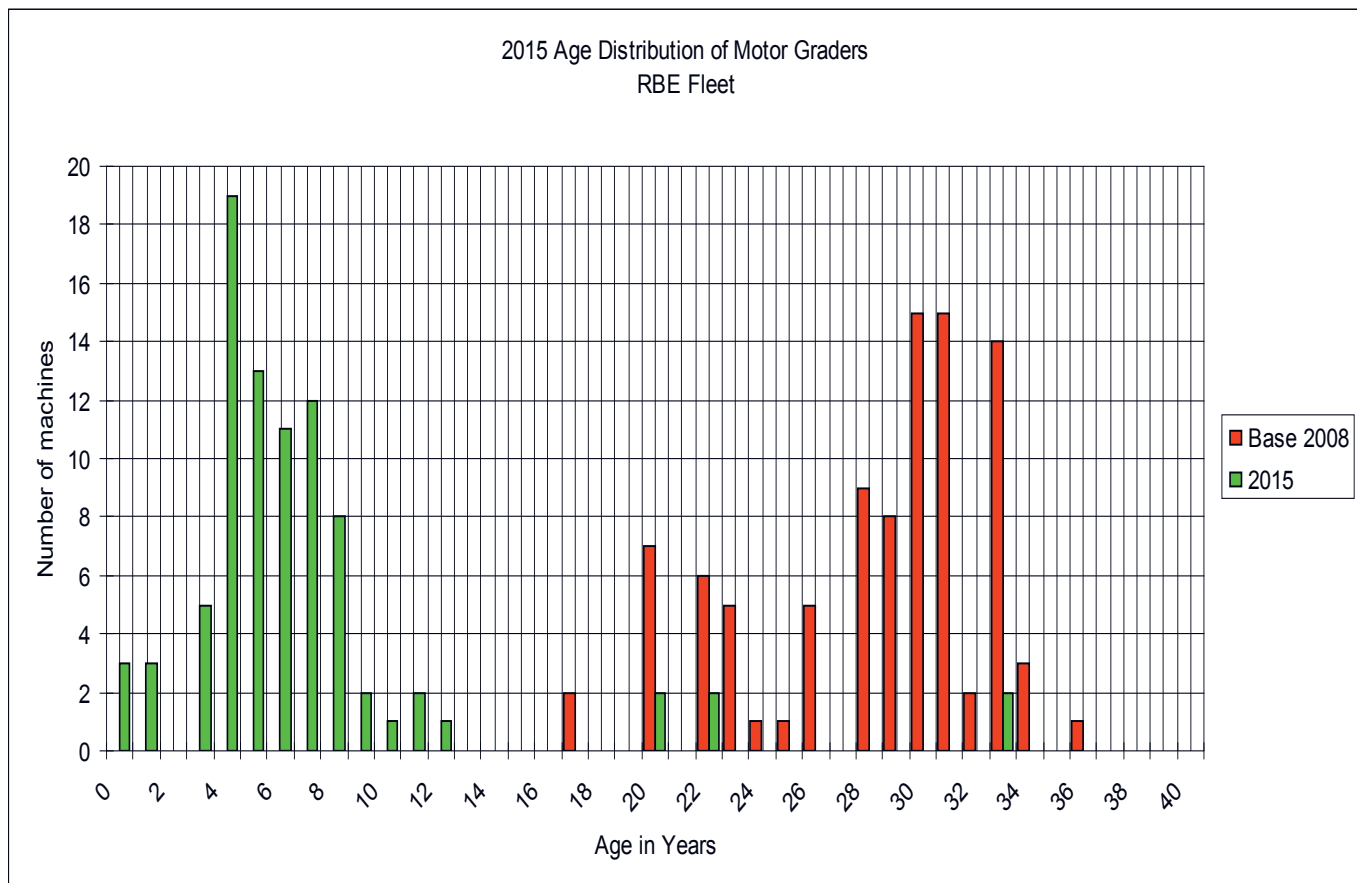
A Truck-Tractor 90,000 kg GCM for Transportation Services was procured on RT57 and it was delivered and activated during February 2015. All active truck-tractors are now younger than 6 years.



Several new vehicles were purchased and activated in the fleet in order to address the specific based needs identified during the 2013/14 financial year. The Trading Entity completed the rebuild of one motor grader internally, one motor grader externally, completed five (5) internal major repairs and extended the life cycles (through various levels of repairs) of thirty four (34) machines. Internal rebuilds and major repairs on motor graders added an estimated forty one thousand (41 000) grader service hours to fleet capacity against a 2014/15 annual “consumption” of thirty three thousand (33 000) hours. The 3 new motor graders that were purchased and activated in May 2014 added an estimated 36 000 hours to fleet capacity. It also had a beneficial effect on the fleet age and frequency distribution profile (motor graders), as well as fleet value, since some of the repairs were capitalized.

#### 6.1.4 Fleet Age Frequency Distribution (Motor Graders)

##### 6.1.4.1 Profile



From red in 2008 to green in 2015 (31 March 2015). Output of the rebuild and major repairs program.

##### 6.1.5 Profile Analysis and Projection

The majority of the grader fleet has been through the rebuild and major repair process.

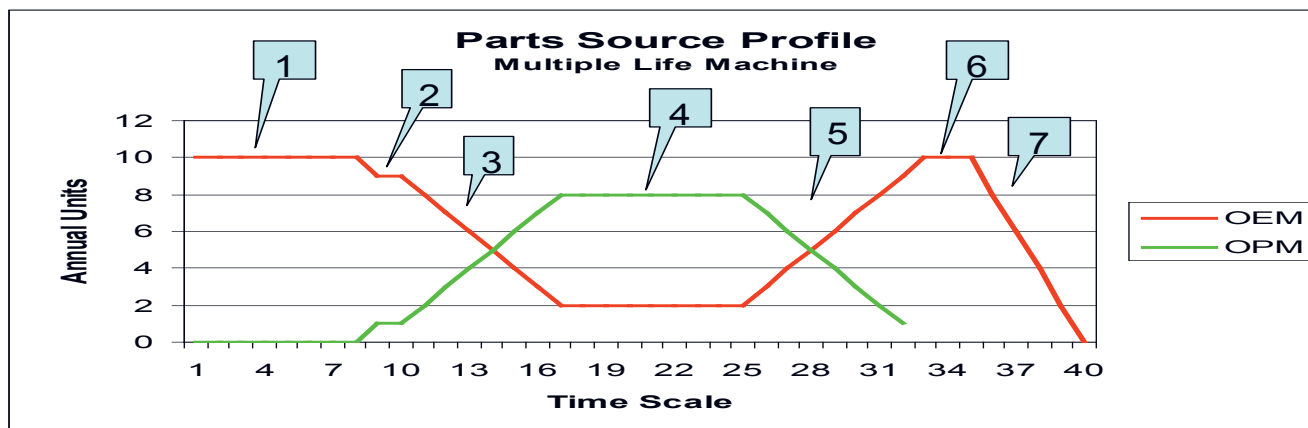
##### 6.1.5.1 To be Noted and Incorporated in Future Planning

The rebuild program cannot continue indefinitely. Everything has an end-of-life, even a multiple life machine such as the Wright 140G. Parts are still freely available, however due to the age of some equipment it is possible that parts will become unavailable.

Some recently experienced under-performing rebuilt components indicate that substandard parts are sometimes entering the non-OEM market. It is difficult to distinguish between the high quality part manufactured by the OPM (original part manufacturer) and the uncertain quality "pirate". It is an option to standardize on the OEM Classic line of parts, but that will come at a premium.

Conclusion: The replacement program, as started with the 2014-2015 purchase of three new graders, will have to continue.





Period 1 – New machine, owner fully dependant on OEM

Period 2 – OPMs from allover sensing possible extended life machine, testing the market

Period 3 – Increasing availability of OPM parts, owner less dependant on OEM only

Period 4 – Majority of parts available in OPM market

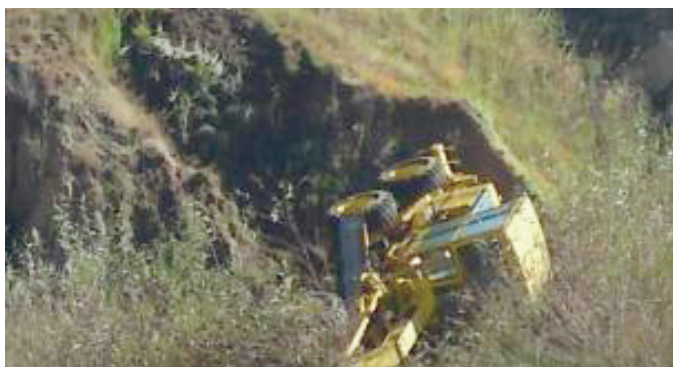
Period 5 – Production stopped, smaller market prompts OPMs to reduce supply to non-OEM market

Period 6 – Owner once more primarily dependant on OEM -- expensive

Period 7 – Reducing parts availability from OEM, becoming impossible to retain machine

#### 6.1.6 Notable Achievements

##### 6.1.6.1 Repair Services



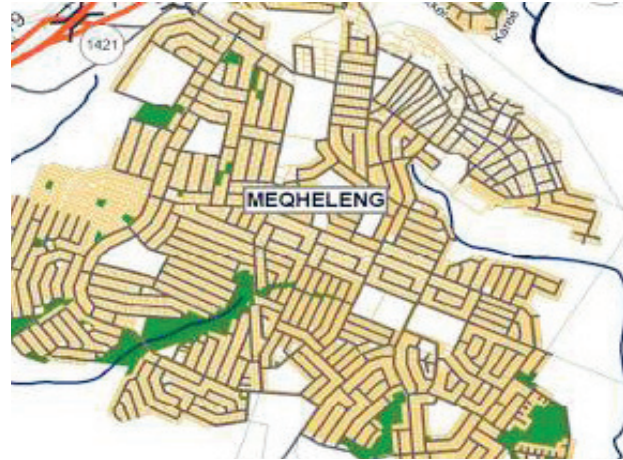
GRB8202, after falling several meters down a cliff during a support project in Thabo Mofutsanyane.



GRB8202, during and after a full internal repair at FSFM Repair Services Hamilton.



### 6.7 Ad Hoc Support Services



Town clean-up operations: Meqheleng, Setsoto Municipality.

### 6.8 Short Term Project Based Support Services



Earthmoving services to Department of Agriculture. Preparing the terrain for the erection of a semi-permanent lodging facility at the Thaba Nchu Training Centre.

## 6.9 Extended Period Project Based Support Services



Paving project in Petrusburg, Letsemeng Municipality. Cooperative project between municipality, Fleet Management and private contractor. Fleet Management responsible for all earthmoving and terrain preparation services.

## 7. Gratitude

I thank the management and staff of Fleet Management for the continued support that they have provided to our communities and trust that we will continue with these efforts in the future.

.....  
**Mr SJ Msibi**

**Accounting Officer**

**Department of Police, Roads and Transport**

**31 July 2015**

## PERFORMANCE REPORT

**Strategic Objective: Ensure the effective and efficient management and administration of all government fleet in the Free State Province.**

### Priorities

❑ **Rightsizing of the fleet and alignment of the fleet composition to the requirements of the users (TARGET 250 VEHICLES)**

This is a continuous process of needs analysis, capacity measurements, projections, and prioritization of repairs, refurbishments and purchases.

Until end of March 2015, a total of 352 fleet vehicles were delivered. The figure of 352 includes 46 vehicles that were either donated to Fleet Management, procured for Department Police Roads and Transport or for Road Building Equipment.

❑ **Disposals of movable assets (TARGET 8 Disposals)**

Until end of March 2015 one sell-by-tender and two bid auctions were held, 189 items were sold generating an income of R 13 million. The Management of the Department in consultation with Fleet Management has changed the disposal method from sell-by-tender to auction. In view of the decision only three disposals have taken place, due to tender processes and the appointment of a service provider. The numbers of items available for disposal depends on the life-cycle status of assets, supply-demand trends, serviceability status and demands in the used vehicle market.

❑ **Increase procurement of services with regard to maintenance and repairs from Historically Disadvantaged Individuals (HDI's) measured according to the BBBEE classification: Government Motor Transport (TARGET 35%)**

Due to the challenges experienced with the supplier of the RT46 contract Fleet Management has been unable to verify the percentage compliance of BBBEE classification.



Measurable objectives	Performance Indicators	2014/15 Performance Targets	Performance Target end of Quarter 4	Achieved until March 2015	Comments to explain the targets achieved (accumulative since 1 April 2014)
Procure, maintain and dispose of fleet in accordance with client demand	<p>Alignment of fleet capacity with client needs. Parameters:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Client needs analysis</li> <li><input type="checkbox"/> Supply-demand</li> <li><input type="checkbox"/> Life cycle completed</li> </ul>	250	250 vehicles ordered	Delivered: 352	<p>Actual delivery period dependent on:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Heavy equipment or sedan vehicle</li> <li><input type="checkbox"/> Full import or locally manufactured</li> <li><input type="checkbox"/> Involvement of sub-contractor (e.g. truck body builder)</li> </ul> <p>The figure of 352 includes 46 vehicles that were either donated to Fleet Management, procured for Department Police Roads and Transport or for Road Building Equipment</p>
Disposal of movable asset	<p>Number of auctions</p> <p>Number of items</p> <p>Revenue generated</p>	As available	Target regulated by number of items available for disposal	<p>3 disposals</p> <p>189 items</p>	Due to a decision from the Executive Management of the Department to change the disposal method from Sell by Tender to Auction in view of the decision only three disposals have taken place due to tender processes.
Increase procurement of maintenance and repair services from Historically Disadvantaged Individuals.	The percentage of expenditure on maintenance and repairs that is awarded to HDI service providers measured according to BBBEE classification.	<p>35%</p> <p>(Expected throughout the year)</p>	35% overall of GMT	Achievements not measurable	Due to the challenges experienced with the supplier of the RT46 contract management were unable to quantify the percentage of expenditure that were awarded to BBBEE merchants.

## REPORT OF THE AUDIT COMMITTEE ON THE FINANCIAL STATEMENTS OF FLEET MANAGEMENT

### Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2015.

### Shared Audit Committee Members and Attendance

The Shared Audit Committee (the Audi Committee) consists of the members listed hereunder and meets at least four (4) times per annum as per its approved audit committee charter. During the current year four (4) meetings were held. The attendance record of the different members is as detailed below:

Name of Member	Audit Committee Meetings			
	27 <sup>th</sup> May 2014	19 <sup>th</sup> Aug 2014	08 <sup>th</sup> Dec 2014	13 Feb 2015
Ms M. Nkomo (Chairperson from 1 September 2014)	■	■	✓	✓
Ms P. Mateta (Acting Chairperson until 30 September 2014)	✓	✓	✓	✓
Mr C. Weapond	✗	✓	✓	✓
Mr A. Mahlalutye	✓	✓	✗	✓
Mr L. Shabe	✓	✓	●	●
Mr S. Majola	■	■	✗	✓
Mr G. Motloi	■	■	✓	✓

✓ = Member attended the audit committee meeting[s]

✗ = Member tendered an apology for the audit committee meeting[s]

■ = Member not yet appointed on the committee

● = Member term expired

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibility arising from section 38(1)(a) the PFMA and paragraph 3.1 of the Treasury Regulations. The Committee also reports that it has adopted appropriate terms of reference as its charter and has regulated its affairs in accordance with the Audit Committee Charter that is reviewed annually to ensure its relevance.

### The Effectiveness of Internal Control

In line with the PFMA, Treasury Regulations and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with the assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancement to the controls and processes.

Accordingly, we can report that the system of internal control for the period under review was adequate. The Audit Committee noted significant progress being made to improve the internal control system in the entity. It also noted that management has implemented adequate controls in most areas within the entity to provide reasonable assurance that all major inherent risks are appropriately identified; managed and applicable legislation is adhered to.

The Audit Committee is satisfied with the contents and quality of in-year and quarterly reports prepared and issued by the Accounting Officer during the year under review.



## Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed the unaudited Annual Financial Statements to be included in the Annual Report, with the Auditor-General and the Accounting Officer;
- Reviewed the information on the predetermined objectives to be included in the Annual Report; and
- Reviewed the entity's compliance with legal and regulatory provisions.

## Risk Management

Progress has been made in the administration and review of risk register, and the approval of relevant policies. However, there is a need to focus on and address the requirements of the ICT Governance Framework, Business Continuity Plans and Disaster Recovery Plans.

## Internal Audit

The Audit Committee has received and reviewed the quarterly internal audit reports and concur that internal audit has addressed risks pertinent to the department in its internal audit reviews. The Audit Committee is satisfied that internal audit function is operating effectively. The following list constitutes some of the internal audit work that was completed during the year under review:

- Pre-determined objectives
- Financial Management
- Human Resources, and
- Assets Management .

## Auditor-General South Africa

The Audit Committee has met with Auditor-General South Africa to ensure that there are no unresolved issues.



.....

**Mrs. MMD Nkomo**

**Chairperson of the Shared Audit Committee**

**Date: 31 July 2015**

## Report of the Auditor-General to the Free State Legislature on the Free State Fleet Management Trading Entity

### Report on the financial statements

#### Introduction

25. I have audited the financial statements of the Free State Fleet Management Trading Entity set out on pages 262 to 265, 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 authority's responsibility for the financial statements

26. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting authority 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

27. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with 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.
28. 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 entity'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 entity'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.
29. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### Opinion

30. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Free State Fleet Management Trading Entity as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the PFMA.

#### Emphasis of matters

31. I draw attention to the matters below. My opinion is not modified in respect of these matters.

#### Material impairments

32. As disclosed in note 5.4.1.1 to the financial statements, material impairments of R36 503 000 were incurred as a result of the provision for doubtful debt.

#### Restatement of corresponding figures

33. As disclosed in note 5.9 to the financial statements, the corresponding figures for 31 March 2014 have been restated as a result of an error discovered during 2014-15 in the financial statements of the entity at, and for the year ended, 31 March 2015.

### Significant uncertainty

34. With reference to note 5.12 to the financial statements, the trading entity is the defendant in a labour lawsuit amounting to R20 700 000 (2014:R13 600 000). The trading entity is opposing these claims. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements

### Report on other legal and regulatory requirements

35. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

### Predetermined objectives

36. The predetermined objectives of the entity are included in the annual performance report of the Department of Police, Roads and Transport, and any findings will be reported in the department's audit report.

### Compliance with legislation

37. I performed procedures to obtain evidence that the entity had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

### Internal control

38. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

*Auditor - General*

**Bloemfontein**

**31 July 2015**



**AUDITOR - GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	31 March 2015 R'000	31 March 2014 R'000 <i>Restated</i>
<b>REVENUE</b>			
Revenue from Exchange Transactions	5.1.1	455 590	471 658
Finance Income	5.1.2	18 799	9 965
Other Income	5.1.3	1 289	154
Revenue from Non- Exchange Transactions	5.1.4	6 162	23 592
<b>Total Revenue</b>		<b>481 840</b>	<b>505 369</b>
<b>EXPENSES</b>			
Administrative Expenses	5.2.1	(3 425)	(3 306)
Employee Benefit Expense	5.2.2	(53 890)	(50 360)
Other Operating Expenses	5.2.3	(270 173)	(50 360)
Depreciation Expense	5.2.4	(104 274)	(102 509)
<b>Total Expenses</b>		<b>(431 762)</b>	<b>(442 003)</b>
<b>Operating Surplus</b>		<b>50 078</b>	<b>63 366</b>
Gains on Disposal of Property, Plant & Equipment		6 049	4 283
Actuarial Gain/(Loss) on Long Service Awards Provision	5.7.1	(134)	275
<b>SURPLUS FOR THE PERIOD</b>		<b>55 993</b>	<b>67 924</b>

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2015**

	Notes	31 March 2015 R'000	31 March 2014 R'000 <i>Restated</i>
<b>ASSETS</b>			
<b>Current Assets</b>		<b>395 044</b>	<b>254 081</b>
Trade and Other Receivables from Exchange Transactions	5.4.1	114 255	108 720
Cash and Cash Equivalents	5.5	280 789	145 361
<b>Non-Current Assets</b>		<b>493 574</b>	<b>447 796</b>
Property, Plant and Equipment	5.3	493 574	447 796
<b>Total Assets</b>		<b>888 618</b>	<b>701 877</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>122 200</b>	<b>40 448</b>
Payables From Exchange Transactions	5.6	34 895	28 917
Employee Benefits	5.7	11 116	11 333
Long Service Award Provision	5.7.1	210	198
Operating Expense Provision	5.8	75 979	-
<b>Non-Current Liabilities</b>		<b>2 231</b>	<b>2 014</b>
Long Service Award Provision	5.7.1	2 231	2 014
<b>Total Liabilities</b>		<b>124 431</b>	<b>42 462</b>
<b>Net Assets</b>		<b>764 187</b>	<b>659 415</b>
<b>NET ASSETS</b>			
Reserves		120 897	81 171
Accumulated Surplus		643 290	578 244
<b>Total Net Assets</b>		<b>764 187</b>	<b>659 415</b>



**STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	Accumulated Surplus R'000	Revaluation Reserve R'000	Total R'000
<b>At 31 March 2013</b>		500 885	67 546	568 431
Restatement due to Prior Period Error	5.9	(2 805)	-	(2 805)
<b>Balance as at 31 March 2013</b>		<b>498 080</b>	<b>67 546</b>	<b>565 626</b>
Restated Surplus for the period		67 924	-	67 924
Restated Surplus/(Deficit) on the revaluation of Property, Plant and Equipment		-	25 865	25 865
Transfers between equity components		12 240	(12 240)	-
<b>Restated balance as at 31 March 2014</b>		<b>578 244</b>	<b>81 171</b>	<b>659 415</b>
Surplus for the period		55 993	-	55 993
Surplus/(Deficit) on the revaluation of Property, Plant and Equipment		-	48 779	48 779
Transfers between equity components		9 053	(9 053)	-
<b>At 31 March 2015</b>		<b>643 290</b>	<b>120 897</b>	<b>764 187</b>

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	31 March 2015 R'000	31 March 2014 R'000 <i>Restated</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers		413 552	435 141
Payments to Suppliers and Employees		(208 340)	(285 689)
Net Cash Flows from Operations		205 212	149 452
Interest Received	5.1.2	18 799	9 965
<b>Net Cash Flows from Operating Activities</b>	5.10	<b>224 011</b>	<b>159 417</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Vehicles		(92 622)	(71 936)
Purchase of Road Building Equipment		(8 660)	(22 815)
Purchase of Tools		(13)	(38)
Purchase of Office Equipment and Furniture		(345)	(876)
Proceeds on Sale of Fixed Assets		13 057	22 178
<b>Net Cash Flows from Investing Activities</b>		<b>(88 583)</b>	<b>(73 487)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>135 428</b>	<b>85 930</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>145 361</b>	<b>59 431</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	5.5	<b>280 789</b>	<b>145 361</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 1. GENERAL INFORMATION

The annual financial statements of the Fleet Management Trading Entity for the year ended 31 March 2015 were authorised for issue by the Accounting Officer on 29 of May 2015.

Fleet Management is a Trading Entity incorporated in terms of Section 19 of Treasury Regulations as issued in terms of the Public Finance Management Act of 1999. A Trading Entity is defined as an Entity operating within the administration of a Department. In the case of the Fleet Management, the Department referred to is the Department of Police, Roads and Transport.

The Entity is domiciled in Bloemfontein within the Free State Province, South Africa.

#### Principal Activities

The Entity is responsible for supplying the Free State Government Departments, National Departments functioning in the Free State Province as well as Free State Municipalities, with affordable and reliable vehicles and road building equipment.

The Entity has different categories of vehicles that are rented to National, Provincial and Local Government and Municipalities:

- a) Permanent Vehicles: These are vehicles that are permanently allocated to clients.
- b) General Hire Vehicles: These vehicles are available for rental by clients, as and when they need extra transport.
- c) Equipment: The equipment fleet is permanently rented to the Department responsible for roads. A small portion of the fleet is rented to local Municipalities, small contractors and other Government Departments.

The Entity recovers its costs through the following tariffs, as approved by Provincial Treasury on an annual basis:

- a) Daily Tariffs: These tariffs are calculated in such a way that Fleet Management recovers its overheads as well as a capital component of the fleet.
- b) Kilometre Tariffs: These tariffs are calculated in such a way that Fleet Management recovers the running expenses of the fleet, which is fuel, oil, maintenance, etc.
- c) Road Building Equipment Tariffs: These tariffs are calculated in such a way that Fleet Management recovers overheads, the capital component and running expenses of the fleet.

### 2. BASIS OF PREPARATION

The annual financial statements of the Entity have been prepared in accordance with the Statements of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board, and on the going concern basis.

The annual financial statements have been prepared on a historical cost basis, except for vehicle fleet and road building equipment that have been measured at fair value. Trade receivables and trade payables have been measured at fair value, initially and subsequently at amortised cost, using the effective interest method.

The financial statements are presented in South African Rand and all values are rounded to the nearest thousand (R'000), except when otherwise indicated.

### 3.1 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Entity's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

#### Judgments

In the process of applying the Entity's accounting policies, management has made the following judgment, apart from those involving estimates, which has the most significant effect on the amounts recognised in the financial statements:

##### *Vehicle fleet rentals treated as operating lease*

Management classifies the lease contracts for the renting of vehicles by clients (specifically vehicles that have been permanently allocated) as operating leases. Management reached this conclusion after evaluating (which included the performance of calculations to support the evaluation) the six (6) indicators identified in GRAP 13 – Leases, paragraph 12, that could individually, or in combination lead to leases being classified as finance leases.

Management consulted extensively in this regard, and obtained an opinion from the Provincial Treasury, that supported the judgment.

It should also be noted that the Provincial Treasury approves the rates on a year to year basis and these tariffs may be reviewed by Free State Fleet Management Trading Entity whenever deemed necessary.

##### *Vehicle fleet valuation*

Despite the fact that a detailed procedure manual exists, which explains the way in which the annual valuation of the entire vehicle fleet is performed, some areas remain where the officials responsible for the valuation, has to make their own judgment. This is particularly true when rating the vehicle's condition. Management ensures accuracy in this matter by ensuring that only officials with adequate knowledge and expertise are utilised to perform the rating of condition that is performed during physical inspection.

##### *Provision for bad debt*

The management of the Trading Entity, with their detailed knowledge of each of their debtors, consider the recovery of each and every debtor individually, at year-end.

##### *Impairments*

Based on the results of each year's physical inspection, the management of the Trading Entity assess whether there are any indications of impairment. Based on the indicators of impairment that are present the impairment of each asset is estimated.

##### *Provisions*

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 5.8.

Provisions are measured using management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to the present value where the effect is material.

##### *Long service awards*

The present value of the long service awards provision depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact on the carrying amount of the long service awards provision.



*Long service awards (Continued)*

The Entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligation. The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds.

Additional information is disclosed in Note 5.7.1.

*Effective interest rate*

The Entity makes use of the official interest rate (standard interest rate to be levied on debts owing to the state) as issued by National Treasury, for all its discounting calculations.

### **3.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES**

#### **3.2.1 Standard that became effective in the current year relating to the Entity's operations**

No Standards became effective during the financial year.

#### **3.2.2 Statements and interpretations not yet effective**

The following standards have been issued, but are not effective for the 2014/15 financial year:

##### **GRAP 18 - Segment Reporting**

The standard does not yet have an effective date. The standard requires the identification and aggregation of the operating segments of the Entity into reportable segments. For each of the reportable segments identified details of the financial performance and financial position should be disclosed.

This standard will not have an effect on the Entity's recognition and measurement of items, but will only affect disclosure.

Whether or not this standard would be applicable to the Entity should be determined / finalised once more guidance becomes available on the application of the requirements and relevant exemptions.

##### **GRAP 20 – Related Parties (revised)**

The standard does not yet have an effective date. This standard provides the requirements for the disclosure of related parties and transactions and balances with related parties. It is based on IPSAS 20, however, several principles from IAS 24 has been included. Furthermore definitions and terms have been amended to be relevant in a South African context.

The Entity complied with the requirements of this standard during the period under review.

##### **GRAP 32 - Service Concession Arrangements: Grantor**

The standard does not yet have an effective date. The standard provides guidance on how the grantor should account for service concession arrangements. The standard addresses how service concession revenue and the related assets and liabilities should be accounted for.

Taking into consideration that the Entity is not involved in service concession arrangements it is considered that this standard will not have a significant impact on its financial statements once it becomes effective.



### 3.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (Continued)

#### 3.2.2 Statements and interpretations not yet effective (Continued)

##### **GRAP 105 – *Transfer of Function between Entities under Common Control***

The standard does not yet have an effective date. This standard provides the accounting treatment for transfers of functions between entities under common control. The standard determines that assets and liabilities transferred to entities under common control will be recognised at their carrying values (determined by the transferring Entity as though it were on GRAP) in the records of the receiving Entity. The difference between the consideration transferred and the carrying value of the assets/liabilities transferred is recognised in accumulated surplus/deficit.

This standard will only have an effect on the financial statements of the Entity when functions are transferred between entities under common control. The transfer of functions would be accounted for as mentioned above.

##### **GRAP 106 – *Transfer of Function Between Entities Not Under Common Control***

This standard deals with other transfers of functions between entities not under common control and requires the Entity to measure transferred assets and liabilities at fair value. The difference between the consideration transferred and the carrying value of the assets / liabilities transferred is recognised in accumulated surplus / deficit. This standard does not yet have an effective date.

This standard will only have an effect on the financial statements of the Entity when functions are transferred between entities not under common control. The transfer of functions would be accounted for as mentioned above.

##### **GRAP 107 – *Mergers***

This standard deals with requirements of accounting for a merger between two or more entities. The standard determines that the assets and liabilities acquired through the merger should be measured at their carrying values. Any difference between these carrying values and the consideration transferred for the merger is recognised in accumulated surplus / deficit. This standard does not yet have an effective date.

This standard will only have an effect on the financial statements of the Entity when it enters into a merger. The merger would be accounted for as mentioned above.

##### **GRAP 108 - *Statutory Receivables***

The standard does not yet have an effective date. This standard prescribes the accounting treatment for receivables arising from legislation rather than from contracts entered into between parties. This standard provides that statutory receivables are initially measured at transaction price and evenly measured using the cost model. Application of the cost model allows for adjustment to the carrying amount to reflect any interest or other charges that may have accrued on the receivable, impairment losses or amounts derecognised. This standard is not anticipated to have a significant impact on the financial statements of the Entity.

This standard is not anticipated to have a significant impact on the financial statements of the Entity.

### 3.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (Continued)

#### 3.2.2 Statements and interpretations not yet effective (Continued)

##### **IGRAP 12 – Jointly Controlled Entities – Non-monetary Contributions by Venturers**

This interpretation provides guidance on the recognition of gains and losses resulting from contributions of non-monetary assets to jointly controlled entities. This interpretation does not yet have an effective date.

This interpretation will not have an effect on the financial statements of the Entity.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Property, Plant & Equipment

##### *Recognition*

Property, Plant & Equipment is recognised when:

- ❑ it is probable that future economic benefits or service potential associated with the item will flow to the Entity and
- ❑ the cost or fair value of the item can be measured reliably.

##### *Initial Measurement*

An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the entity. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located. When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

##### *Subsequent Measurement*

After recognition as an asset, an item of property, plant and equipment whose fair value can be measurably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

##### *Office Equipment and Furniture*

Equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and impairment losses. Such costs include the cost of replacing part of such plant and equipment when the cost is incurred if the recognition criteria are met.

Office Equipment is being depreciated over a useful life of 1-5 years, on a straight-line basis. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.1 Property, Plant & Equipment (Continued)

###### *Motor Vehicle Fleet and Road Building Equipment*

Following initial recognition at cost, the fleet is carried at a revalued amount, which is the fair value at the date of the revaluation.

Depreciation is calculated, taking into account an estimated remaining useful life, which is re-assessed at every financial year-end. The estimated remaining useful life is mainly based on the life cycle of each fleet item. The depreciation also takes into account a residual value. The estimated residual value of each fleet item is determined in the same way as the residual value that is determined by management during the annual calculation of the daily tariffs.

The fleet is revalued on an annual basis, at year-end. The frequency of these valuations will ensure that the fair value of the fleet will not differ materially from its carrying amount.

Any revaluation surplus is credited to the asset revaluation reserve included in the reserves section of the Statement of Financial Position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of Financial Performance, in which case the increase is recognised in the Statement of Financial Performance. A revaluation deficit is recognised in the Statement of Financial Performance, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is realised by transferring it from the reserve to accumulated surplus.

Gains and losses on disposal are determined by deducting the carrying value of the specific fleet item (as determined at the date of disposal) from the proceeds obtained from the auction of the specific fleet item.

The Entity calculates the fair value of the fleet on a yearly basis as at 31 March. Fair value is determined through:

- ❑ The use of market-based evidence;
- ❑ The condition of each vehicle, based upon yearly physical inspections.

Skilled persons within the Entity perform the yearly valuation.

###### *Tools*

Tools are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and impairment. Such costs include the cost of replacing part of such plant and equipment when the cost is incurred if the recognition criteria are met.

Tools are depreciated over a useful life of 1-5 years, on a straight-line basis.

###### *Derecognition*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits or service potential are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Financial Performance in the year the asset is derecognised.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.2 Impairment of Assets

##### 4.2.1 Impairment of Cash Generating Assets

The Entity assesses at each reporting date whether there is any indication that an asset may be impaired. The Entity considers, as a minimum, the following indications:

###### *External sources of information*

- a) During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use.
- b) Significant changes with an adverse effect on the Entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Entity operates or in the market to which an asset is dedicated.
- c) Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

###### *Internal sources of information*

- a) Evidence is available of obsolescence or physical damage of an asset noted through physical verification.
- b) Significant changes with an adverse effect on the Entity have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.
- c) Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

###### *Recognition*

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

###### *Measurement*

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. This recoverable amount is determined for individual assets.

In assessing value-in-use for assets, the estimated future cash flows are discounted to their present value using the official interest rate as issued by National Treasury.

Impairment losses are recognised in the Statement of Financial Performance.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Entity makes an estimate of the assets recoverable amount.

###### *Reversal of impairment losses*

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.



#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.3 Financial Instruments

###### *Recognition*

The Entity recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, the Entity becomes a party to the contractual provisions of the instrument. This is achieved through the application of trade date accounting.

Upon initial recognition the Entity classifies financial instruments as financial assets or financial liabilities in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of financial assets or financial liabilities.

Financial assets within the scope of GRAP 104 are classified as either financial assets at cost, fair value or amortised cost, as appropriate.

The Entity determines the classification of its financial assets on initial recognition. The classification depends on the purpose for which the financial assets were acquired. The Entity's financial instruments at amortised cost comprise trade and other receivables and cash and short-term deposits in the Statement of Financial Position.

###### *Initial Measurement*

When a financial instrument is recognised, the Entity measures it initially at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

###### *Subsequent Measurement*

Subsequent to initial recognition, financial assets and financial liabilities are measured at fair value, amortised cost or cost.

###### *Financial Assets*

A financial asset is cash, a residual interest of another Entity or a contractual right to receive cash or another financial asset from another entity or exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the Entity.

###### *Financial Instruments at Amortised Cost*

Financial instruments at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition financial instruments at amortised cost are subsequently carried at amortised cost using the effective interest method less any allowance for impairment.

###### *Trade and Other Receivables from Exchange Transactions*

Trade receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organization, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The Entity will also assess debtors on an individual basis in order to arrive at the provision. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance.



#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.3 Financial Instruments (Continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed by adjusting the allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the Statement of Financial Performance.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against the Statement of Financial Performance.

##### *Payables from Exchange Transactions*

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method.

##### *Cash and Cash Equivalents*

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

Cash and cash equivalents are measured at amortised cost.

##### *De-recognition*

A financial asset is derecognised at trade date, when:

- The cash flows from the asset expire, are settled or waived;
- Significant risks and rewards are transferred to another party; or
- Despite having retained significant risks and rewards, the Entity has transferred control of the asset to another entity.

A financial liability is derecognised when the obligation is extinguished.

##### *Impairments*

All financial assets measured at amortised cost, or cost, are subject to an impairment review. The Entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

##### 4.4 Employment Benefits

##### *Short-term Employee Benefits*

Short-term employee benefits that give rise to a present legal or constructive obligation are only recognised if the outflow of economic benefits is probable and the obligation can be reliably measured.

##### *Retirement Benefits*

No provision is made for retirement benefits in the financial statements of the Entity. Any potential liabilities are disclosed in the financial statements of the Government Employees Pension Fund and not in the financial statements of the employer Department. The retirement benefits are therefore treated as a defined contribution plan by the Entity.

The Entity expenses retirement benefits paid.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.4 Employment Benefits (Continued)

###### *Long Service Awards*

Cash awards are offered to the Entity's employees at their 20, 30 and 40 year employment milestones.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring the long service award provision the Entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the long service award provision resulting from employee services rendered in the current period.

Interest cost is the increase in the present value of the long service award provision which arises as a result of the benefits nearing settlement.

The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds.

The Entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard required or permits their inclusion in the cost of an asset:

- ☐ Current service cost
- ☐ Interest cost

The Entity uses the Projected Unit Credit Method to determine the present value of its long service award provision and the related current service. The Projected Unit Credit Method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

When the amounts become due by the Entity and are paid, the amounts are expensed.

##### 4.5 Revenue

###### 4.5.1 Revenue from Exchange Transactions

An exchange transaction is one in which the Entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

###### *Recognition*

Revenue from exchange transactions is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Entity and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised:

###### *Interest Income*

Revenue is recognised as interest accrues (using the effective interest method: that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.5.1 Revenue from Exchange Transactions (Continued)

###### *Lease Income*

Revenue from the renting of vehicles is recognised with specific reference to:

- ❑ Revenue from Kilometre Tariffs: based on the actual kilometres travelled using the approved Kilometre Tariff.
- ❑ Revenue from Daily Tariffs: based on the actual days of usage, using the approved Daily Tariff.
- ❑ Revenue from Rentals Received: based on the above mentioned tariffs. This is specific to the equipment fleet.

Revenue is recognised in the reporting periods in which the services are rendered.

###### *Recoverable Revenue*

Recoverable revenue represents payments relating to the misuse and/or damage of vehicles and/or third party claims. This type of income has its origin from two sources and the income from these sources is recognised as follows:

- ❑ Claims against third parties: Income is only recognised when it is actually received.
- ❑ Claims against clients: Income is only recognised when a case has been concluded and the claim has been made out to a specific client.

###### *Measurement*

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable.

##### 4.5.2 Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Entity received revenue, vehicles or equipment from another entity without directly giving approximately equal value in exchange.

###### *Recognition*

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

*The Entity recognises an asset arising from a non-exchange transaction when it gains control of resources that meet the definition of an asset and satisfy the recognition criteria.*

###### *Measurement*

Revenue arising from a non-exchange transaction is measured at the fair value of the asset received, less the amount of any liabilities that are also recognised due to conditions that must still be satisfied.

##### 4.5.3 Services In-kind

All services in-kind rendered to the Entity should be disclosed. Due to the many uncertainties surrounding services in-kind, including the ability to exercise control over the services, and measuring the fair value of the services, services in-kind are not recognised.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.6 After Reporting Date Events

These are events, both favourable and unfavourable, that occur between the reporting date and the date on which the financial statements are authorised for issue. The financial statements are only adjusted in respect of “adjusting events” as defined in the Standard.

##### 4.7 Contingent Liability

A contingency is a condition, the ultimate outcome of which will be confirmed only on the occurrence or non-occurrence, of one or more uncertain future events. Contingent liabilities are disclosed, but not recognised.

A contingent liability is:

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity; or
- b) a present obligation that arises from past events but is not recognised because:
  - ❑ it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
  - ❑ the amount of the obligation cannot be measured with sufficient reliability.

##### 4.8 Net Assets

Net Assets is the net difference between assets and liabilities. It is represented by the following reserves:

- ❑ Accumulated Surplus/(Deficit);
- ❑ Revaluation Reserve;

The Free State Fleet Management has to replace the fleet of equipment at the end of its useful life. Accumulated surplus represents funds that are available to meet this obligation.

The allocation to accumulated surplus is thus the following

- ❑ Annual transfer of the surplus / (deficit) to accumulated surplus;
- ❑ Funding received from the client for the purchase of equipment;
- ❑ Transfers from equity components (revaluation reserve); and
- ❑ Any prior year adjustment.

Accumulated surplus is used to finance capital increases in equipment to be replaced. On an annual basis approval is obtained from Provincial Treasury for the retention of the surplus for that specific financial year.



#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.9 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

###### *The Entity as a lessor:*

Lessors shall present assets subject to operating leases in their Statement of Financial Position according to the nature of the asset.

Lease revenue from operating leases shall be recognised as revenue on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished.

Initial direct costs incurred by lessors in negotiating and arranging an operating lease shall be added to the carrying amount of the leased asset and recognised as expenses over the lease term on the same basis as the lease revenue.

The depreciation policy for depreciable leased assets will be consistent with the lessor's normal depreciation policy for similar assets, and depreciation shall be calculated in accordance with the Standard of GRAP on Property, Plant and Equipment and the Standard on Intangible Assets.

##### 4.10 Conditional Grants

###### *Recognition*

Revenue received from conditional grants is recognised as revenue to the extent that the Entity has complied with any of the criteria, conditions or obligations embodied in the agreement.

To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

###### *Measurement*

Revenue arising from the receipt of a conditional grant is measured at the fair value of the grant received, less the amount of any liabilities that are also recognised due to conditions that must still be satisfied.

Where there are conditions attached to a grant that gave rise to a liability at initial recognition, that liability is transferred to revenue as and when the conditions attached to the grant are met.

##### 4.11 Prior Period Errors

Prior period errors are omissions from, and misstatements in, the Entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- ❑ was available when financial statements for those periods were authorised for issue; and
- ❑ could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Material Omissions or misstatements of items are material if they could, individually or collectively; influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

Prior period errors are corrected retrospectively.



#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **4.12 Irregular Expenditure**

Irregular expenditure is expenditure that is contrary to the Public Finance Management Act (PFMA) and the State Tender Board Act, 1968 (Act No. 86 of 1968) or is in contravention of the entity's supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

	31 March 2015 R'000	31 March 2014 R'000
<b>5.1 Revenue</b>		
<b>5.1.1 Revenue from Exchange Transactions</b>		
Revenue from Exchange Transactions comprises:		
Flat rates service charges:		
- Daily charges	207 877	198 317
- Hiring of road building equipment	75 161	72 560
Service based on consumption:		
- Kilometre tariffs	159 886	187 696
- Recovery of damages	12 666	13 085
	<b>455 590</b>	<b>471 658</b>
<b>5.1.2 Finance Income</b>		
PMG bank account	14 331	6 306
Discounting of revenue	4 467	3 657
Interest income of staff debt	1	2
	<b>18 799</b>	<b>9 965</b>
<b>5.1.3 Other Income</b>		
Other income	1 289	154
	<b>1 289</b>	<b>154</b>
<b>5.1.4 Revenue from Non-Exchange Transactions</b>		
Conditional Grant (Department of Police, Roads & Transport)	-	20 000
Donations Received	6 162	3 592
	<b>6 162</b>	<b>23 592</b>
<b>5.2 Expenses</b>		
<b>5.2.1 Administrative Expense</b>		
Stationery and printing	178	370
Telephone and fax	1 065	777
External audit and consultants' fees	2 056	1 869

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	31 March 2015 R'000	31 March 2014 R'000
<b>5.2 Expenses (Continued)</b>			
<b>5.2.2 Employee Benefit Expense</b>			
Salaries and wages		37 158	34 194
Bonuses		3 896	3 811
Contributions to retirement funds		4 670	4 260
Medical aid contributions		3 150	3 380
Housing allowance		2 045	2 123
Long service award service cost		107	127
Other expense		3 191	2 851
		<b>54 217</b>	<b>50 746</b>
Leave accrual		<b>(327)</b>	<b>(386)</b>
		<b>53 890</b>	<b>50 360</b>
Number of employees at year end		<b>228</b>	<b>233</b>
<b>5.2.3 Other Operating Expenses</b>			
Domestic consumables		52	291
Provision for bad debt adjustment		36 503	11 815
First auto fees (transaction costs)		7 017	12 361
Fuel, oil & grease		126 347	133 623
Net Impairment loss/(reversal)	5.3.4/5	(1 695)	25 011
Legal fees		54	34
Licence fees		4 392	4 216
Maintenance services		1 532	1 032
Tyres and Repairs		84 703	82 751
Small equipment		30	54
Toll fees		2 865	3 248
Travel and subsistence		1 622	1 420
Rental of equipment		14	23
Thefts & losses		976	1 816
Rent of buildings		3 980	3 720
Safeguard and security		1 064	3 999
Donations		889	-
Other		328	414
		<b>270 173</b>	<b>285 828</b>

The comparative figures were restated to improve the transparency of the financial statements

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

		31 March 2015 R'000	31 March 2014 R'000
	Notes		
<b>5.2 Expenses (Continued)</b>			
<b>5.2.4 Depreciation Expense</b>			
Depreciation – equipment		467	437
Depreciation – tools		77	76
Depreciation – machinery fleet		12 548	13 711
Depreciation – vehicle fleet		91 182	88 285
		<b>104 274</b>	<b>102 509</b>
<b>5.3 Property, Plant &amp; Equipment</b>			
Office Equipment, Furniture and Tools	5.3.1	1 511	1 697
Vehicle Fleet	5.3.2	348 970	302 669
Road Building Equipment	5.3.3	143 093	143 430
		<b>493 574</b>	<b>447 796</b>

There are no restrictions on the title of the above mentioned classes of Property, Plant and Equipment nor has the Entity pledged any of these items as securities for liabilities incurred.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

	Office Equipment and Furniture	Assets Held Under Finance Leases	Tools	Total
	R'000	R'000	R'000	R'000
<b>5.3 Property, Plant &amp; Equipment (Continued)</b>				
<b>5.3.1 Office Equipment, Furniture and Tools</b>				
<b>Carrying Value – 31 March 2013</b>	<b>1 038</b>	<b>-</b>	<b>258</b>	<b>1 296</b>
Cost	2 340	490	1 124	3 954
Accumulated depreciation & impairment	(1 302)	(490)	(866)	(2 658)
Additions	876	-	38	914
Derecognised	-	-	-	-
Depreciation	(437)	-	(76)	(513)
<b>Carrying Value – 31 March 2014</b>	<b>1 477</b>	<b>-</b>	<b>220</b>	<b>1 697</b>
Cost	3 216	490	1 162	4 868
Accumulated depreciation & impairment	(1 739)	(490)	(942)	(3 171)
Additions	345	-	13	358
Derecognised	-	-	-	-
Depreciation	(467)	-	(77)	(544)
<b>Carrying Value – 31 March 2015</b>	<b>1 355</b>	<b>-</b>	<b>156</b>	<b>1 511</b>
Cost	3 561	-	1 175	4 736
Accumulated depreciation & impairment	(2 206)	-	(1 019)	(3 225)



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

	31 March 2015 R'000	31 March 2014 R'000
<b>5.3 Property, Plant &amp; Equipment (Continued)</b>		
<b>5.3.2 Vehicle Fleet</b>		
<b>Opening balance – 1 April</b>	<b>302 669</b>	<b>333 948</b>
Valuation	302 669	333 948
Accumulated depreciation	-	-
<u>Movements:</u>		
Additions	98 914	71 936
Disposals	(7 890)	(13 994)
Depreciation expense	(91 182)	(88 285)
Annual revaluation of vehicle fleet	46 459	(936)
Impairment loss recognised in the Statement of Financial Performance	(25 759)	(44 197)
Reversal of impairment loss previously recognised in the Statement of Financial Performance	27 080	20 629
Impairment loss recognised in the Statement of Changes in Net Assets	(53)	(684)
Revaluation recognised in the Statement of Changes in Net Assets	45 191	23 31
<b>Fleet at Valuation</b>	<b>348 970</b>	<b>302 669</b>
Valuation	348 970	302 669
Accumulated depreciation	-	-
If the fleet was still measured using the cost model, the carrying amounts would have been as follows:		
At Cost	711 763	648 517
Accumulated depreciation	(481 681)	(388 736)
Net book value	<b>230 082</b>	<b>259 781</b>
<b>Number of vehicles at the end of the year</b>	<b>3 169</b>	<b>3 081</b>

The reversal of the impairment loss was caused by the following:

The vehicle fleet is revalued internally at the end of each year using Mead & McGrouther values. The Mead & McGrouther values are adjusted to account for the fact that the market values of Fleet Management's vehicles are lower compared to normal vehicles as the Entity's vehicles are used as pool vehicles. Therefore a significant impairment loss is recognised in the year in which a vehicle is purchased.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**5.3 Property, Plant & Equipment (Continued)**

**5.3.2 Vehicle Fleet (continued)**

A portion of the impairment loss mentioned above is usually reversed in the year after a vehicle is purchased as the Mead & McGrouther values tend to be more in line with the actual value of a vehicle that has been in the fleet for more than a year.

**Vehicles Stolen:**

During the current year, 8 vehicles with a cost price of R2.0 million and book value of R1.0 million were stolen (2014: 17 vehicles with a cost price of R4.1 million and a book value of R1.8 million).

	<b>31 March 2015 R'000</b>	<b>31 March 2014 R'000</b>
<b>5.3.3 Road Building Equipment</b>		
<b>Opening balance – 1 April</b>	<b>143 430</b>	<b>134 708</b>
Valuation	143 430	134 708
Accumulated depreciation	-	-
<u>Movements:</u>		
Additions	1 948	21 378
Capitalised costs	6 712	4 965
Disposals	(464)	(5 699)
Depreciation expense	(12 548)	(13 711)
Annual revaluation of road building equipment fleet	4 015	1 789
Impairment loss recognised in the Statement of Financial Performance	(1 052)	(2 255)
Reversal of impairment loss previously recognised in the Statement of Financial Performance	1 426	811
Impairment loss recognised in the Statement of Changes in Net Assets	(404)	(457)
Revaluation recognised in the Statement of Changes in Net Assets	4 045	3 690
<b>Fleet at Valuation</b>	<b>143 093</b>	<b>143 430</b>
Valuation	143 093	143 430
Accumulated depreciation	-	-

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015****5.3 Property, Plant & Equipment (Continued)****5.3.3 Road Building Equipment (Continued)**

## Revaluation

As at 31 March 2015 a valuation was performed on the entire Road Building Equipment fleet to determine a fair value for the fleet at this date. Due to costs associated with obtaining an independent valuator, the valuation was performed internally. The valuation was performed by Mr R Oosthuizen, a registered mechanical engineer, who is in the employment of the Fleet Management Trading Entity. Mr R Oosthuizen has extensive knowledge of the road building equipment market. During the calculation of the revaluation, he utilised this knowledge of the market as a basis. He has 30 years of experience in the road building equipment environment. Management believes that Mr R Oosthuizen's knowledge and expertise is sufficient for the performance of this valuation.

The key assumptions used by Mr R Oosthuizen during his valuation are:

- The open market prices of new road building equipment;
- The open market expenditure to repair road building equipment.

**5.3.4 Impairment Loss**

An impairment loss, amounting to R0 (Vehicle Fleet: R0; Road Building Equipment: R0) [2014: R25.0 million (Vehicle Fleet: R23.6 million; Road Building Equipment: R1.4 million)] was identified at the financial year-end. The impairment loss was the result of asset revaluations performed at the financial year-end. The recoverable amount was based on the assets' fair value less costs to sell. The fair value was determined after taking into account current market values and market conditions.

**5.3.5 Revaluation Gain**

A revaluation gain, amounting to R1.7 million (Vehicle Fleet: R1.3 million; Road Building Equipment: R0.4 million) [2014: R0 (Vehicle Fleet: R0; Road Building Equipment: R0)] was identified at the financial year-end. The revaluation gain was the result of asset revaluations performed at the financial year-end. The recoverable amount was based on the assets' fair value less costs to sell. The fair value was determined after taking into account current market values and market conditions.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	31 March 2015 R'000	31 March 2014 R'000
<b>5.4.1 Trade and Other Receivables from Exchange Transactions</b>			
Staff debtors		12	24
Trade Receivables	5.4.1.1	166 114	124 064
Less: Provision for bad debts		(51 871)	(15 368)
		<b>114 255</b>	<b>108 720</b>
<b>5.4.1.1 Allowance for Doubtful Debt</b>			
<b>Individually and collectively impaired:</b>			
<b>At 1 April</b>		<b>15 368</b>	<b>4 264</b>
Charge for the year		36 503	11 815
Utilised		-	(711)
<b>At 31 March</b>		<b>51 871</b>	<b>15 368</b>

At 31 March 2015, the age analysis of trade and other receivables is as follows:

Year	Total R'000	Current R'000	30 – 60 days R'000	60 – 90 days R'000	>90 days R'000
2014	108 720	65 370	7 952	5 381	30 017
2015	114 255	68 787	6 414	4 231	34 823

At 31 March 2015, the age analysis of trade and other receivables provided for as impaired is as follows:

Year	Total R'000	> 120 days R'000
2014	15 368	43 248
2015	51 871	38 843

*Past due and not impaired trade receivables* – no detailed breakdown is considered necessary. History has shown, that past due debts are generally recoverable through the assistance of Provincial Treasury.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	31 March 2015 R'000	31 March 2014 R'000
<b>5.5 Cash and Cash Equivalents</b>			
Cash at Banks		280 781	145 356
Cash on Hand		8	5
		<b>280 789</b>	<b>145 361</b>
Cash at banks earns interest at floating rates based on daily bank deposit rates.			
<i>For the purpose of the cash flow statement, cash and cash equivalents comprise the following at 31 March:</i>			
Cash and Cash Equivalents at the end of the period		<b>280 789</b>	<b>145 361</b>

**5.6 Payables from Exchange Transactions**

Trade Payables		16 797	16 876
Other Payables		86	57
Accrued Expenses	5.6.1	18 012	11 984
		<b>34 895</b>	<b>28 917</b>

*Other Payables:*

Other Payables include Long Service Awards not yet paid and other Debt Payables.

**5.6.1 Accrued Expenses**

***Risk Management Accrual***

The Risk Management accrual has been created through amounts received from clients as part of the Daily Tariffs charged to them. In terms of the service level agreement with clients, these amounts are to be utilised to write off actual costs incurred in the repair of vehicles that have been involved in accidents/incidents (only where the client's driver did not lose his/her state cover).

	31 March 2015 R'000	31 March 2014 R'000
<b>Opening Balance</b>	<b>11 984</b>	<b>10 508</b>
Add: Tariffs charged	15 309	12 551
Less: Expenses incurred	(9 281)	(11 075)
<b>Closing Balance</b>	<b>18 012</b>	<b>11 984</b>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**5.7 Employee Benefits**

***Short-term employee benefits:***

***Leave Pay Provision:***

Balance at the beginning of the year	9 130	9 516
Amount provided for during the year	(326)	(386)
<b>Balance at the end of the year</b>	<b>8 804</b>	<b>9 130</b>

***Performance Bonus Provision:***

Balance at the beginning of the year	723	327
Amount provided for during the year	50	396
<b>Balance at the end of the year</b>	<b>773</b>	<b>723</b>

***Bonus Accrual:***

Balance at the beginning of the year	1 480	1 400
Amount accrued during the year	59	80
<b>Balance at the end of the year</b>	<b>1 539</b>	<b>1 480</b>

***Total:***

<b>11 116</b>	<b>11 333</b>
---------------	---------------

*Leave Pay Provision*

A provision is recognised for the liability that the Entity has at year-end relating to each and every employee.

The provision comprises two elements:

- The total number of days due to every employee at the year-end; and
- The current daily salary of every employee.

*Performance Bonus Provision*

A provision is raised for performance bonuses. The provision is based on the performance bonuses paid during the year taking into account the effect of inflation.

*Bonus Accrual*

An accrual is recognised for the yearly bonus that employees earn in their birth- months. The accrual consists of the employee's salaries provided pro-forma based on the number of months that have passed since the employee's previous birthday.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2015**

	31 March 2015 R'000	31 March 2014 R'000
<b>5.7.1 Long Service Awards Provision</b>		
Balance at the beginning of the year	2 212	2 499
Interest cost	186	162
Current service cost	107	127
Benefits paid/(expected)	(198)	(301)
Actuarial (Gains)/Losses	134	(275)
	<b>2 441</b>	<b>2 212</b>
Non-current	2 231	2 014
Current	210	198
	<b>2 441</b>	<b>2 212</b>

**Key assumptions used**

Inflation rate	5.90%	5.65%
Expected retirement age (years)	65	65
Government bonds yield (discount rate)	7.88%	8.40%

	31 March 2015 R'000	31 March 2014 R'000
<b>5.8 Operating Expense Provision</b>		
Carrying amount at the beginning of the year	-	-
Increase in Provision	75 979	-
<b>Carrying amount at the end of the year</b>	<b>75 979</b>	<b>-</b>

During the 2015 financial year Fleet Management was invoiced for services rendered/goods consumed by Fleet Management relating to the RT46 contract. Management has concerns relating to the validity/existence of some of the invoiced transactions. A provision was raised for the invoiced amount relating to transactions where management has concerns on the validity/existence of these transactions (net of any payments made to the supplier). At financial year-end management engaged the supplier and National Treasury in order to resolve their concerns, however no progress was made in this regard.

There is no expected reimbursement if the provision is settled.

A total amount of R179 million was paid to the supplier during the 2015 financial year.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**5.9 Prior Period Errors**

***Long Service Awards Provision***

During the 2015 financial year, it was discovered that no provision was made for future Long Service Awards.

In terms of GRAP 25 – Employee Benefits, an entity shall use the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost.

This error was corrected retrospectively.

Correcting the prior period error had the following effect on the comparative information:

	<b>31 March 2014 R'000</b>
Increase in Long Service Award Provision	(2 212)
Increase in Other Payables	(56)
Increase in Actuarial Loss/(Gain) on Long Service Awards	(275)
Increase in Interest Expense	162
Decrease in Service Cost	(153)
Decrease in Accumulated Surplus	2 534

***Vehicle Fleet – Stolen vehicles***

During the 2015 financial year it was discovered that two vehicles from the vehicle fleet were stolen during the 2014 financial year and never derecognised from the fixed asset register.

This error was corrected retrospectively.

Correcting the prior period error had the following effect on the comparative information:

	<b>31 March 2014 R'000</b>
Decrease in Vehicle Fleet Vehicles	(185)
Decrease in Depreciation	(9)
Decrease in Impairment Loss	(11)
Increase in Thefts & losses	205

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2015**

**5.9 Prior Period Errors (Continued)**

***Vehicle Fleet – Duplicate asset***

During the 2015 financial year it was discovered that a vehicle was incorrectly included in the Vehicle Fleet accrual during 2013 and included in the fixed assets register.

This error was corrected retrospectively.

Correcting the prior period error had the following effect on the comparative information:

	31 March 2014 R'000
Decrease in Accruals	125
Decrease in Revaluation surplus	26
Decrease in Vehicle Fleet vehicles	(88)
Decrease in Reversal of Impairment Loss	5
Decrease in Depreciation	(12)
Increase in Accumulated Surplus	(56)

***Revenue from Non-Exchange transactions incorrectly disclosed***

During the 2015 financial year it was discovered that Donations Received were incorrectly disclosed as Other Income.

In terms of GRAP 23 – Revenue from Non-Exchange Transactions, revenue from non-exchange transactions include donations received.

This error was corrected retrospectively.

Correcting the prior period error had the following effect on the comparative information:

	31 March 2014 R'000
Increase in Revenue from Non-Exchange Transactions	(3 592)
Decrease in Other Income	3 592

***Stolen vehicles incorrectly disclosed under Gains on Disposal of Property, Plant & Equipment***

During the 2015 financial year it was discovered that stolen vehicles (derecognised) were incorrectly disclosed under Gains on Disposal of Property, Plant & Equipment.

In terms of GRAP 1 – Presentation of Financial Statements, an entity shall present an analysis of expenses using a classification based on either the nature of expenses or their function within the entity, whichever provides information that is reliable and more relevant.

This error was corrected retrospectively.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**5.9 Prior Period Errors (Continued)**

***Stolen vehicles incorrectly disclosed under Gains on Disposal of Property, Plant & Equipment (Continued)***

Correcting the prior period error had the following effect on the comparative information:

	31 March 2014 R'000
Increase in Gains on Disposal of Property, Plant & Equipment	(1 797)
Increase in Thefts & losses	1 797

***Security services incorrectly not accrued for***

During the 2015 financial year it was discovered that expenses relating to security services (2014 financial year) were incorrectly not accrued for.

This error was corrected retrospectively.

Correcting the prior period error had the following effect on the comparative information:

	31 March 2014 R'000
Increase in Safeguard and Security	1 419
Increase in Trade Payables	(1 419)

***Revenue incorrectly not accrued for***

During the 2015 financial year it was discovered that revenue relating to the hiring of road building equipment (2014 financial year) was incorrectly not accrued for.

This error was corrected retrospectively.

Correcting the prior period error had the following effect on the comparative information:

	31 March 2014 R'000
Increase in Hiring of road building equipment	(225)
Increase in Trade Receivables	225



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**5.9 Prior Period Errors (Continued)**

***Performance bonus provision not recognised***

During the 2015 financial year it was discovered that the performance bonus provision (2014 financial year) was incorrectly not provided for.

In terms of GRAP 25 – Employee Benefits, short-term employee benefits include items such as incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service.

This error was corrected retrospectively.

Correcting the prior period error had the following effect on the comparative information:

		31 March 2014 R'000
Increase in Bonuses		395
Increase in Performance Bonus Provision		(723)
Decrease in Accumulated Surplus		328
	<b>31 March 2015 R'000</b>	<b>31 March 2014 R'000</b>

**5.10 Cash Generated from Operations**

Surplus for the Period	55 993	67 924
Adjusted for:		
Donations received	(6 162)	(3 529)
Impairment loss / Valuation (Gain) – Vehicle Fleet and Road Building Equipment	(1 695)	25 011
Depreciation - Vehicle Fleet and Road Building Equipment	103 730	101 996
Depreciation - Office Equipment, Furniture and Tools	544	513
Provision for bad debts	36 503	11 104
Long Service Awards Provision	229	(286)
Performance Bonus Provision	50	396
Operating Expense Provision	75 979	-
Stolen vehicle recovered	(129)	-
Thefts & losses	956	1 797
Profit on disposal of Property, Plant & Equipment	(6 049)	(4 283)
Donation made during the year	389	-
<b>Operating Profit before Working Capital Changes</b>	<b>260 338</b>	<b>200 643</b>
<b>Working Capital Changes:</b>	<b>(36 327)</b>	<b>(41 226)</b>
(Increase)/Decrease in Trade and Other Receivables	(42 038)	(36 517)
Increase/(Decrease) in Trade and Other Payables	5 711	(4 709)
<b>Cash Generated from Operations</b>	<b>224 011</b>	<b>159 417</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**5.11 Related Parties**

The Entity, which from the beginning of the 2009 year consists of both the Government Garage Trading Entity and Road Building Equipment Trading Entity, is managed under the administration of the Department of Police, Roads & Transport since 1 April 2009. The following table provides the total amount of transactions, which have been entered into with related parties for the related financial year:

**2014/2015 Financial year**

Related Party: Free State Department of Police, Roads & Transport

Transactions	Amount owed by/ (to) related party at 31 March 2014	Rand value of services rendered: (by)/to related party	Rand value of amounts settled to/(by) related party during the financial year	Amount owed by/ (to) related party at 31 March 2015
	R'000	R'000	R'000	R'000
Renting of vehicles and equipment	36 072	151 366	(154 983)	32 455
Licensing fees	(410)	(4 392)	4 614	(188)
Purchase of vehicles/equipment	3 400	6 263	(9 297)	366

**2013/2014 Financial year**

Related Party: Free State Department of Police, Roads & Transport

Transactions	Amount owed by/ (to) related party at 31 March 2013	Rand value of services rendered: (by)/to related party	Rand value of amounts settled to/ (by) related party during the financial year	Amount owed by/ (to) related party at 31 March 2014
	R'000	R'000	R'000	R'000
Renting of vehicles and equipment	16 958	145 068	(125 954)	36 072
Licensing fees	-	(4 216)	3 806	(410)
Conditional grant	-	20 000	(20 000)	-
Purchase of buses	3 400	-	-	3 400

The Department of Public Works provided office and workshop accommodation to the Entity free of charge. No value for this service can be attributed to this transaction.

The Provincial Treasury paid for the use of the transversal operating systems (BAS, PERSAL and LOGIS) on behalf of Fleet Management to SITA. No value for this service can be attributed to this transaction.

The Department of Police, Roads & Transport provided the following service in-kind to the Entity free of charge:

- ☐ General assistance with human resource administration.

No value for this service can be attributed to this transaction.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 5.11 Related Parties (Continued)

The Department of Police, Roads & Transport and the Entity shared the following services:

- ☐ Internal audit; and
- ☐ Audit committee.

No value for these services can be attributed to these transactions.

#### Terms and Conditions of Transactions with Related Parties

The services rendered to related parties are made on the same basis as those terms and conditions applicable to transactions with other Fleet Management clients, these transactions were done at market value. In the same way, services rendered by related parties to Fleet Management are rendered on the same terms and conditions as the transactions with other clients of such a related party.

None of the balances owed by the related party have been included in the yearly provision for bad debts, since the related parties do not have long outstanding debts.

#### Key Personnel

The following employees at Fleet Management are seen as being key personnel as at 31 March 2015:

- ☐ Mr. GT Kumalo (Acting Head: Fleet Management until 7 March 2014)
- ☐ Mr. SO Nair (Head: Fleet Management effective 1 June 2014)
- ☐ Mrs. L Dunn-Radile (CFO: Fleet Management)
- ☐ Mr. RL Botha (Director: Fleet Management)
- ☐ Mr. S Modise (Director: Security effective 1 March 2014)

The following compensation has been paid to the respective members:

Key Personnel member	Total compensation received	
	31 March 2015 R'000	31 March 2014 R'000
Mr GT Kumalo (Acting Head: Fleet Management)	N/A	1 168
Mr SO Nair (Head: Fleet Management)	790	N/A
Mrs L Dunn-Radile (CFO: Fleet Management)	869	758
Mr RL Botha (Director: Fleet Management)	857	807
Mr S Modise (Director: Security)	819	62

No transactions relating to Fleet Management's normal business of rental of vehicles occurred between the above-mentioned key management personnel and the Fleet Management during the past financial year (2014: R NIL).

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 5.12 Contingent Liabilities

#### Legal Cases

At financial year-end, a labour related case amounting to R20.7 million (2014: R 13.6 million) remained unresolved. The case represents a contingent liability for Fleet Management due to the fact that the occurrence/settlement of the possible obligation cannot be measured with sufficient reliability.

There were no unresolved P51 cases at year-end that had to be addressed by the Legal Claims Section at Fleet Management (2014: 1 unresolved case). The unresolved cases represent a contingent liability for Fleet Management due to the fact that the occurrence/settlement of the possible obligation cannot be measured with sufficient reliability. P51 cases are those cases where a private party has a possible claim against the Government due to the fact that the private party was involved in an incident with a Government owned vehicle.

#### Housing Guarantees

At the financial year-end, a total of R63 thousand (2014: R63 thousand) was offered as security for housing guarantees and other guarantees made on behalf of employees. These guarantees represent a contingent liability for the Fleet Management, due to the fact that the recoverability of the obligation cannot be measured with sufficient reliability.

There is no possibility of reimbursement for any of the contingent liabilities mentioned above.

### 5.13 Commitments

#### 5.13.1 Capital

	31 March 2015 R'000	31 March 2014 R'000
Capital commitments on 31 March	77 656	46 288

At 31 March 2015, the Entity had capital commitments principally relating to vehicles 288 (2014: 143 vehicles) and equipment that have been ordered before financial year-end. It is expected that these vehicles and equipment will be delivered during the next financial year (2015/2016), and that the purchase price will be settled at that stage.

#### 5.13.2 Current

Current commitments on 31 March	1 225	525
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At 31 March 2015, the Entity had current commitments principally relating to stationery and consumables that have been ordered before financial year-end. It is expected that these items will be delivered during the next financial year (2015/2016), and that the purchase price will be settled at that stage.

### 5.14 Events after the reporting date

After the reporting date, management received signed off invoices as well as detailed transaction data relating to the RT46 contract (refer to note 5.8). This information provided more support for transactions that occurred before year-end and therefore this was treated as an adjusting event after the reporting date.

The financial statements were amended accordingly to reflect this new information.

No other significant events came to management's attention, since the reporting date that would require adjustment to or disclosure in the financial statements as at 31 March 2015.



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 5.15 Pensions and Other Post-Employment Plans

The Entity's employees are all members of the Government Employees Pension Fund (GEPF). This fund is a self-administered, defined benefit pension fund. The GEPF has been established in terms of Section 237(3) of the Interim Constitution of the Republic of South Africa, which effectively consolidated the ten former Government Pension Funds into one Fund.

The Fleet Management's responsibility relating to the pensions of the employees is limited to the monthly contributions made to the GEPF. As soon as an employee retires, he/she will be dependent upon the GEPF for the payment of the monthly pensions. In the financial statements of the Fleet Management, the retirement benefit is therefore classified as a defined contribution plan.

	31 March 2015 R'000	31 March 2014 R'000
Pension Contributions Recognised as Expense	4 670	4 260

### 5.16 Financial Risk Management Objectives and Policies

The Entity's principal financial liabilities comprise trade payables, trade creditors and loans given. The main purpose of these financial liabilities is to raise finance for the Entity's operations. The Entity has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

It is, and has been throughout 2015 and 2014 the Entity's policy that no trading in derivatives shall be undertaken.

The main risk arising from the Entity's financial instruments is credit risk.

#### *Credit Risk*

The Entity trades only with recognised, creditworthy third parties. The Free State Provincial Treasury assists the Entity in the recovery of debt from the different clients. In addition, receivable balances are monitored on an ongoing basis with the result that the Entity's exposure to bad debts is not significant. The maximum exposure is the carrying amount as disclosed in Note 5.4. There are no significant concentrations of credit risk within the Entity.

With respect to credit risk arising from the other financial assets of the Entity, which comprise cash and cash equivalents, the Entity's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

#### *Market Risk*

Market risk is the risk that the value of a financial instrument will fluctuate with changing market prices whether caused by factors specific to the instrument or to general external market changes. The Entity has no financial instruments which are affected by changing market prices.

#### *Liquidity Risk*

Liquidity risk is the risk of the Entity defaulting on its financial obligations as a result of insufficient funding capacity in relation to such obligations. The Entity views this as not being a significant risk in view of the fact that it has sufficient cash reserves, and its assets sufficiently cover its liabilities. The Entity also has access to possible assistance from the Provincial Treasury, in terms of Treasury Regulation 19.5.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**5.16 Financial Risk Management Objectives and Policies ( Continued)**

The following are the contractual maturities of financial liabilities:

At 31 March 2015	Carrying Amount R'000	Contractual cash flows R'000	Within 1 year R'000
Trade and Other Payables	17 008	17 008	17 008

At 31 March 2014	Carrying Amount R'000	Contractual cash flows R'000	Within 1 year R'000
Trade and Other Payables	17 049	17 094	17 049

*Foreign Currency Risk*

Foreign currency risk is the risk that the value of a financial instrument will fluctuate with changes in foreign currency. The Entity has no financial instruments which are affected by changes in foreign currency, as it has no foreign currency transactions.

*Interest Rate Risk*

Interest rate risk stems from the risk associated with an Entity's exposure to changes within the interest rate. The Entity has cash balances which generates interest income. An interest rate is used to discount trade receivables and trade payables at year-end.

The risk is managed through the following:

- Surplus cash balances are invested; and
- The Entity ensures that trade receivable and trade payable balances are as low as possible.

**General Risk Management Principles**

Risk management is of critical importance to the Entity as it understands that changing market conditions make risk unavoidable. Over the years the Entity has sought and implemented a comprehensive risk management process to consistently identify, understand and properly manage risk at all times. Risk policies, limits and control procedures are continuously monitored.

**Capital Risk Management**

The Entity's objectives when managing capital are to safeguard the Entity's ability to continue as a going concern in order to provide benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Entity may sell assets to reduce debt.

Consistent with others in the industry, the Entity monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2015**

31 March 2015 R'000	31 March 2014 R'000
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**5.17 Financial Instruments**

Set out below is a comparison by category of carrying amounts of all the Entity's financial instrument that are carried in the financial statements:

**Financial Assets Carried at Amortised Cost**

Cash	280 789	145 361
Trade and Other Receivables from Exchange Transactions	114 255	108 720

**Financial Liabilities**

Payables from Exchange Transactions	34 895	28 917
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**5.18 Irregular Expenditure**

**Reconciliation of Irregular Expenditure:**

Opening balance	44	-
Irregular expenditure current year	91	476
Condoned or written off by Executive Committee	(91)	(432)
Transfer to receivables for recovery-not condoned	-	-
Irregular expenditure awaiting condonement	(44)	-
	<u>-</u>	<u>44</u>

Incident	Disciplinary steps/criminal proceedings
Employees received acting allowances for periods longer than 12 months.	None
Material not sourced from local suppliers.	None

**5.19 Operating Lease Commitments (as Lessor)**

The Entity has entered into service level agreements with various clients. In terms of the service level agreements, vehicles are rented to these clients at rates as approved by Provincial Treasury.

Future minimum rentals receivable under the service level agreements that are in place at 31 March:

Within one year	190 651	142 562
After one year but not more than five years	181 866	191 882
More than five years	2 881	5 543
<b>Total future minimum lease commitment</b>	<b>375 398</b>	<b>339 987</b>



# PART G

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# Notes

This image shows a full page of white paper with horizontal grey ruling lines. The lines are evenly spaced and run across the width of the page. At the very bottom, there is a decorative border consisting of overlapping translucent polygons in shades of light blue and lavender. The overall appearance is that of a clean, unused sheet of notebook or stationery paper.