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PART A

GENERAL INFORMATION



1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General of South Africa
AFS	Annual Financial Statements
APP	Annual Performance Plan
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
CAPPVA	Control of Access to Public Premises and Vehicle Act
CCTV	Closed Circuit Television
CDP	Contractor Development Programme
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
CPF(s)	Community Policing Forum(s)
CPSs	Community Policing Structures
CSC	Community Service Centre
CSFs	Community Safety Forums
DBE	Department of Basic Education
DCDP	Departmental Contractor Development Programme
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
EXCO	Executive Council
ENaTIS	Electronic National Traffic Information System
EPWP	Expanded Public Works Programme
FSGDS	Free State Growth and Development Strategy
GCC	General Conditions of Contract
GMT	Government Motor Transport
HBL	Humele Bus Lines
HDI(s)	Historically Disadvantaged Individual(s)

HLH	Harrismith Logistical Hub
HOD	Head of the Department
HRM	Human Resource Management
IAA	Internal Audit Activities
ICD	Independent Complaints Directorate
ICJS	Integrated Criminal Justice System
ICT	Information Communication Technology
IMTM	Integrated Modal Transport Management
ICT	Information Communication Technology
IPTN's	Integrated Public Transport Networks
IRPTN	Integrated Rapid Public Transport Networks
ISS	Institute for Security Studies
IYM	In-Year Monitoring
JCPS	Justice, Crime Prevention and Security (Cluster)
LBL	Learner Drivers' License
LLM	Learners' License Module
LOGIS	Logistical Information System
LR	Labour Relations
LTA	Learner Transport Association
MBS	Maluti Bus Services
MEC	Member of the Executive Council
MTEF	Medium Term Expenditure Framework
MISS	Minimum International Security Standards
MVRS	Moving Violation Recording Systems
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
NQF	National Qualifications Framework
NRTL	National Road Traffic Law
NRTS	National Road Traffic Strategy
NYSP	National Youth Service Programme

OLB	Operating Licensing Board
PAs	Performance Agreements
PDMS	Performance Development and Management System
PERSAL	Personal Salary Reference
PFMA	Public Finance Management Act
PPP	Public-Private Partnership
PROPAC	Provincial Public Accounts Committee
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
RMC	Risk Management Committee
RSE	Road Safety Education
RTA	Road Traffic Accidents
RTMC	Road Transport Management Corporation
SANRAL	South African National Road Agency Limited
SAPS	South African Police Services
SAQA	South African Qualifications Authority
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
SITA	State Information Technology Agency
SMMEs	Small Micro Medium Enterprises
SMS	Senior Management Service
SMF	Supervising Monitoring Firm
TM	Traffic Management
U-AMP	User Asset Management Plan
VEP	Victim Empowerment Programme
WSs	Weighbridge Stations

3. FOREWORD BY THE MEC

Once more, as the Department of Police, Roads and Transport, we welcome this opportunity to present our Annual Report for the past financial year: 2015/2016. In the main, the Report demonstrates the Department's continued commitment to meeting its objectives, as determined in the targets determined at the start of the 2015 financial year.

We can proudly report that the Department of Police, Roads and Transport has met its targets in the area of overseeing and monitoring police service delivery in line with the Constitution of the Republic of South Africa that mandate to the Department. This is as a result of continuous co-operation between the Department, the Provincial South African Police Services (SAPS) management and the SAPS at national level. It is therefore in this context of co-operation that our work becomes effective.

Our work in the area of law enforcement on the roads, providing safe roads as well as the management of public transport, continues to bear fruit. Nonetheless, the behaviour of motorists is still a matter of concern as road accidents continue to remain high despite the courageous efforts of the Department. We remain pro-active both in terms of road traffic training and road safety education in general.

The Annual Report also details sustained work in the improvement of Road and Transport Infrastructure. In this way, an environment continues to be created in which mobility of people and goods is improved in order to enhance optimal economic participation of the people of the Province and of South Africans as a whole. In investing in infrastructure, real jobs and job opportunities are being created.

The Department will continue to remain steadfast in striving to make the lives of our people better, directly and indirectly contributing towards creating an enabling environment for the advancement of economic freedom.



BM KOMPHELE

MEC: Police, Roads and Transport

DATE: 29 July 2016



4. REPORT OF THE ACCOUNTING OFFICER

Report of 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

The Department of Police, Roads and Transport continues to discharge its responsibilities as per its legislative mandates and in the process tirelessly strive to be counted amongst the best performing Departments whilst upholding high compliance standards. The Auditor-General's findings bears testimony to this endeavour in that the Department has been receiving unqualified audit reports for three years in succession with significant reductions on matters of emphasis.

The achievements of the Department stem from hard work and commitment that has been displayed by the Leadership of the Department and the joint efforts by most staff members to achieve better results.

The Department has performed well and has achieved most of its Annual Performance Plan targets during the year under review, signifying continuous improvement. However, there is still room for improvement which is a constant reminder that more still needs to be done.

The Department was not immune to the current national economic climate and the cost containment measures associated with that situation. However, these have actually motivated the Department to be more resolute in being creative in utilising the meagre resources optimally towards the attainment of performance targets and improved service delivery. It is on occasions where we seem to be faced with insurmountable problems when our resolve is strengthened even more. Everything possible was done to ensure the achievements of the Annual Performance Plan targets and to this end, the Department achieved 82% of its entire performance targets during the 2015/16 financial year.

Administration

The Administration of the Department is firmly set in a solid foundation with well-defined governance structures, policies and systems. The downscaling of fruitless, wasteful and irregular expenditure attests to the effectiveness of departmental internal controls. Supply Chain was also revamped to ensure streamlining of procurement and cost containment.

The filling of critical vacancies, which brought down the vacancy rate to 6.5% and aggressive staff development have been the mainstay of departmental performance. The Department went further by embarking on structural re-engineering through decentralisation of functions for the Civilian Secretariat, Road Safety and Security Services. This constitute part of the transformation agenda of the Department. Compliance to ICT Governance Framework still poses some teething problems that have to be conquered.

With regard to fraud and corruption, Security Management and Risk Management have jointly promoted the culture of *zero tolerance* in the Department and the reporting of fraudulent activities has, as a result, increased such that there is a great sense of accomplishment since the number of cases that have been handled in this regard has also increased.

Since the culture of the reporting of corruption increased, the Department has in comparison recorded successes in the investigation of fraud and corruption cases regarding a number of implicated officials being subjected to disciplinary hearings.

The Department has recruited and placed 163 Security Learnerships at Revenue Offices all over the Free State as part of contributing to empowerment and job creation initiatives but also as a measure to strengthen security at the government buildings

Crime Prevention

The Department of Police, Roads and Transport is, amongst other functions, responsible for Safety and Security related issues in the Free State Province. By performing this function, it serves as the Provincial Secretariat for the Police Service and as such, continues to oversee the Police and monitor service delivery at Police Stations through assessment visits and production of reports that are aimed at shaping strategic planning for improved Police service delivery. All the 110 Police Stations were visited for assessment during the 2015/16 financial year. Sixty of these were subjected to monitoring and 50 were subjected to evaluation. Information gathered during the assessment visits shows that most Police Stations have most aspects in order; however there are few Police Stations that were found to be still struggling to be compliant to set norms and standards and these findings were brought to the attention of the Provincial South African Police Service (SAPS) Management for intervention.

The Department handles complaints against poor Police service delivery. From the beginning of April 2015 until the end of March 2016, about 450 complaints were received. Out of this number, 94 complaints necessitated the opening of investigation files and there has been some degree of success on closing some cases while others are still being investigated further. In this period, 163 files were finalised. The time it takes to finalise a complaint is determined by the nature, uniqueness and the complexity of each complaint. Some cases are quick to resolve and the complainant is given feedback swiftly while other cases take longer to conclude and can take even up to a year or even beyond that. It is anticipated that the receipt or intake of complaints will increase as the Secretariat functions are being decentralised. The capacity of the component that handles complaints has also been increased and this will assist in closing many cases.

Over and above the oversight over the Police, the Provincial Secretariat also facilitates multidisciplinary collaboration of all stakeholders who are engaged in the fight against crime. To this effect the Department launched the Provincial Crime Prevention Strategy in 2013. One of the key highlights of the period under consideration is that during the release of the South African crime statistics on 29 September 2015, the Free State Province once more showed a downward trend in almost all crime types except on murder, robbery of cash-in-transit, carjacking, and truck hijacking. This achievement was linked to the Provincial Crime Prevention Strategy which is a product of the Department's in collaboration with relevant stakeholders. The fact that this achievement was acknowledged by the Institute for Security Studies (ISS) which is normally sceptical of government's performance in the fight against crime, is an indication that the Department's performance in the coordination of crime prevention initiatives and multidisciplinary collaboration is beginning to pay off dividends.

The Secretariat is also charged with the task of building relations between the Police and communities. This is initiated through Community Police Forums (CPFs) and Community Safety Forums (CSFs). The support to community policing structures in the Province is quite enthusiastic in as far as CPFs are concerned, however, the same cannot be said about the CSFs.

During the 2015/16 financial year, 110 Police Stations were visited to assess the functionality of CPFs. There are discrepancies in the level of functionality and the Department is very proactive in dealing with these issues and has successfully made interventions to solve problems and conflict situations. During assessments 94 CPFs were found to be functional and 16 were found to have collapsed. In trying to revive them the Department facilitated elections at 11 Police Station Precincts. Elections have been planned in the 2016/17 financial year for the five remaining CPFs.

CSFs remain a challenge for the Department. The responsibility of the Provincial Secretariat in this regard is to assess the functionality of the CSFs once they are established. The Department has done all in its power to assist the process of establishing the SCFs and has made presentations to a number of Municipalities who are expected to take a council resolution to establish the structures. There is confidence that the Departments' concerted efforts will pay off and that certain municipalities will establish the CSFs during the 2016/17 period.

Transport Projects

Rural Mobility/Non-Motorised Transport

For the period under review the Department has issued 129 bicycles to rural learners. These bicycles are aimed at improving rural mobility by providing non-motorised transport to needy learners, but most importantly to also ensure that the learners arrive timeously at school still having the energy to constructively concentrate on their school work. The Department was expected to work on the integration of Non-Motorised Transport with subsidised learner transport services.

Learner Transport migration

The Executive Council in the previous financial year resolved that learner transport services should be transferred from the Department of Education to the Department of Police, Roads and Transport with effect 1 April 2015. The purpose of this move was to ensure appropriate allocation of the function to the relevant Department and to establish the remuneration model in order to keep within the budget and also get value for money. Since the existing contract for learner transport operators expired on 13 March 2015 and in order to ensure stability in the learner transport services while exploring an appropriate value-for-money learner transport model, negotiations took place with the existing operators for a month-to-month extension of the contracts with the same terms and conditions as if for a certain period. The majority of operators agreed and extended their contracts. During this period, the Department developed an effective model for learners' transport with the view to, when finalised, implement it in the 2016/17 financial year.

Bus Transformation

Maluti Bus Services (MBS) – The Department, together with the National Department of Transport (NDoT) is finalising the transformation process and a possible buyout of the 30% shareholder, Ripple Effect. At the time of preparing the report, engagements with the NDoT for financial assistance were still under way.

Itumele Bus Lines (IBL) – The Department is in the process of finalising the transformation of IBL, signing of shareholders agreement and due diligence. The last presentation to the Free State Cabinet was done in 2014.

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). Both the companies are at various stages of transformation and engagements with the NDoT for financial assistance were still under way at the time of the preparation of the report.

Some sections of the Taxi Associations in the Taxi Industry still present challenges with regard to organisational stability. The Department is making concerted efforts to resolve challenges which arise out of internal dysfunctioning.

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 under way and the appointed service provider will in due course submit a report to the Department.

Road Safety

Training and lessons in road safety were done as planned. The Department in partnership with the Road Traffic Management Corporation (RTMC), also issued 1 473 learners with school uniforms in an effort to give assistance to learners in the previously disadvantaged schools.

Traffic Wardens

The Department trained and deployed 324 Traffic Wardens. These Traffic Wardens assist in traffic operations and road safety activities. Traffic warden contracts were extended for three months.

Training of 900 Matriculants

The Department identified and trained 900 matriculants to obtain their drivers' licenses. The programme was executed together with the RTMC and was aimed at enabling matriculants to be in a position to have driver's licenses and prepare them for employment and further studying opportunities. Out of the total number of trained matriculants, 285 passed their drivers' licenses, 134 left the programme for various reasons and the Department will continue to assist the remaining 478 matriculants to obtain their driver's licences.

Continuous support to the Provincial Taxi Council

In line with the continuous support and empowerment of the Taxi Industry, the Department transferred R5 million to the Provincial Taxi Council.

Law Enforcement Projects Appointment of Traffic Officers

To strengthen the Law Enforcement unit and to prevent fatalities on the roads, the Department has appointed 153 trainees that underwent rigorous training and have now completed the course and qualified as Traffic Officers. It has always been anticipated that once training was complete, the trainees were to complement the existing traffic staff in order to enhance visibility on the roads and perform other law enforcement activities. To this effect the Department has initiated processes of formally employing trainees. Interviews with the candidates are expected to be completed during the first quarter of 2016/17 financial year.

Contractor Development Programme (CDP) and Road Construction

Road infrastructure construction is the pillar of economic development. It is a catalyst for job creation and consents economic participation for historically disadvantage individuals (HDIs). During 2015/16, 46 contractors graduated within the CDP Programme with NQF Level 2. It is envisaged that 47 contractors will still continue with their training in 2016/17.

Also, 20 new CDPs and 17 SMME contractors to deliver grass-cutting services were appointed and underwent training that was completed on 12 February 2016. The department has also bought equipment and bakkies to improve their capacity to render quality services. This programme is part of the transformation agenda of the department.

Our provincial roads and access roads link people, cities, towns, and rural areas. For us, this is about interconnectedness between ourselves and the world at large. We are happy to announce that some of the critical roads projects completed in the current financial year includes:

The construction of the R74 namely the Harrismith to the Oliviershoek Pass road. This is critical road that impacts on the tourism sector, both in the Free State and KwaZulu-Natal.

- Other critical roads' projects that were finalised are:

- Zastron - Wepener
- Kroonstad - Vredefort
- Parys Through Route
- Memel - Bothaspas
- Oranjeville Bridge
- Clocolan - Marquard
- Reitz - Kestell Road

- The following flood damaged roads were repaired:

- Barrage to Parys
- Paul Roux to Rosendal
- Vrede to Cornelia.

We need to mention that the Free State Department of Police, Roads and Transport through the ThabaNchu Public Transport Route has won the National 2015 Bokamoso EPWP award.

Upgrading of testing stations

The Department has embarked on a process of the upgrading of testing stations throughout the Province, especially the testing centres that test the roadworthiness of vehicles and trucks. An improvement in vehicle roadworthiness will assist in the reduction of road carnages. Thirteen testing stations have been completed and the upgrading of another 46 stations is ongoing. The 13 completed stations are as follows:

- Bloemfontein
- Thaba-Nchu
- Sasolburg
- Parys
- Trompsburg
- Welkom
- Odendalsrus
- Verginia
- Bethlehem
- Harrismith
- Kroonstad
- Wesselsbron
- Marguard

Installation of Moving Violation of Recording System

There are 15 state vehicles that are equipped with Moving Violation Recording Systems (MVRs) and this initiative has been useful in monitoring the occurrence of moving violation offences.

Overview of the financial results of the Department

Departmental Receipts

The Department collected motor vehicle licence tax and other related fees through the Registration.

Departmental Receipts	2015/2016			2014/2015		
	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.	536 287	531 570	4 717	486 598	489 171	(2 573)
Sales of goods and services other than capital assets.	87 161	68 193	18 968	79 085	69 675	9 410
Transfers received.	-	-	-	-	-	-
Fines, penalties and Forfeits.	14 577	18 593	(4 016)	13 227	14 544	(1 317)
Interest, dividends and rent on land.	194	427	(233)	176	291	(115)
Sales of Capital assets.			-			-
Financial transactions in assets and liabilities.	820	1 128	(308)	2 403	2 898	(495)
TOTAL	639 039	619 911	19 128	581 489	576 579	4 910

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 have been unlocked.
- An average of a 6% Motor Vehicle Licence Tax adjustment which came into effect on 1 May 2015.
- The newly established Debt Management Unit within the Department has put up a concerted effort to get Vehicle Licence Tax Defaulters to pay their outstanding fees. This resulted R52.2m has been collected.

Fines, penalties and forfeits

The positive variance is as a result of the collaboration between the Department of Police, Roads and Transport and the Department of Justice, in improving their interdepartmental communication and internal controls in the collection of outstanding fines.

Sales of Capital Assets

The near recession economy had a detrimental effect on consumers' disposable income and this translated into diminished consumption/usage of the Department's goods and services hence the negative variance on goods and services.

Programme Expenditure

The overall expenditure of the Department is at 100.5% and reflects an amount of R2.420 billion spent. An overspending to the amount of R12 million is reflected in the Annual Financial Statements (AFS).

Appropriation per Programme	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	Over/Under Expenditure	Final Appropriation	Actual Expenditure	Over/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme						
Administration	217 348	217 512	(164)	213 915	213 708	207
Provincial Secretariat for Police Services	23 276	22 669	607	24 515	23 852	663
Transport Operations	316 305	306 310	-5	256 147	253 775	2 078
Transport Regulations	338 002	350 758	(12 756)	352 639	348 225	4 414
Transport Infrastructure	1 513 072	1 512 965	102	1 581 682	1 562 361	19 321
PROGRAMME SUBTOTAL	2 408 003	2 420 214	(12 211)	2 428 898	2 402 216	26 682

Virements/Roll-overs

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

Programme	Current Budget R'000	Virement R'000	Budget after Virement R'000
Programme 1: Administration	224 385	(7 037)	217 348
Compensation of Employees.	112 152	(545)	111 607
Goods and Services	107 140	(6 190)	100,950
Households (HH)	1 545	(462)	1,083
Interest and rent on land	589	28	617
Machinery and Equipment	2 959	(536)	2 423
Payments for fin assets	0	668	668
Programme 2: Provincial Secretariat for Police Service	10 441	(2 024)	8 417
Compensation	10 441	(2 024)	8 417
Programme 3: Transport Operations	95 164	302	95 466
Compensation of Employees	22 794	8 170	30 964
Goods and Services	72 370	(7 880)	64 490
Payments for Financial Asset	0	12	12
Programme 4: Transport Regulations	323 611	8 759	332 370
Compensation of Employees	256 191	2 095	258 286
Goods and Services	66 864	5 383	72 247
Households (HH)	556	1 281	1 837

Material Matters

- Fruitless and wasteful expenditure reported for 2015/16 is R0.00 and only two cases to the amount of R193 809.94 are under investigation.
- Irregular expenditure for the year under review is R0.00 and R16 486 853.47 is under investigation.
- Unauthorised expenditure for the year under review amounts to R12.9 million.

Free Services

As part of its constitutional mandate, the Department assists communities by investigating and resolving their complaints against the SAPS and/or individual members of the SAPS. The Department uses a toll-free number, amongst other means, to receive such complaints and this is a free service.

Future Plans of the Department

The Department remains unwavering in becoming the Department of choice that is committed to upholding high compliance standards and is resolute on attaining a clean audit. As undertaken in the previous Annual Report, the budget structure of the Department was aligned accordingly with Programmes 2 and 3 being merged into one programme that is now called the Provincial Secretariat. The Department is in the process of fast-tracking the decentralisation of this component and the Road Safety component to all the districts in the province in order to ensure access of all services provided by the Department by all Free State inhabitants.

In order to enhance security at the Department's Revenue collecting offices (RAs), the Department will in the 2016/17 financial year be installing the biometric system to ensure that property, assets and personnel are secured in those offices.

Public Private Partnerships (PPP)

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.

De Beers Pass

The Department is objecting to the new proposed De-Beers Pass as it has serious adverse effects on the town Harrismith, its flora and as well the broader socio-economic fabric of the province. The Department fully supports the Gauteng–Free State–Durban Corridor.

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.

Discontinued activities/activities to be discontinued

The Fusion Centre project will no longer be handled by the Department and will be centrally managed since it is also a Provincial initiative involving various stakeholders.

New/proposed activities

The Department will roll –out and intensify the following initiatives:

- Upgrading and maintenance of roads.
- SMME Development through transformation of Fleet Management services and commitment of allocation 30% of major contracts to HDI's.
- Concluding transformation of subsidized bus companies
- Development of Integrated Public Transport Network (IPTN's) for Fezile Dabi and Lejweleputswa Districts

Asset management

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

The Department is reporting on the immovable assets as the custodian of immovable assets for the current financial year. The Department has received custodianship of all the roads, quarries and bridges in the province for 2014/15 financial year.

The Department submits User Immovable Asset Management Plan (U-IAMP) annually to both Department of Public Works and Infrastructure and the Provincial Treasury, as per the requirements of Government Immovable Asset Management Act.

Events after the reporting date

There were no events to be reported after the reporting date.

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 processes and procedures is monitored closely and non-compliance would have led to a light disciplinary process. Vetting was conducted to all officials in Supply Chain Management unit and they have signed a SCM code of conduct. SCM officials attended various trainings organised by the Provincial Treasury in order to ensure processes and procedures are adhered to by all officials.

The 30 days payment compliance rate is at 97% according to the key control matrix evaluation. A register for deviations

and variations is in place.

The bid committees have been reviewed for the next 12 months and members have signed a SCM code of conduct. All monthly Provincial Treasury reports were submitted on time.

Gifts and Donations received in kind from non-related parties

The Department received donations in kind from non-related parties to the amount of R2 757 000.00 in the form of furniture and computers and R40 000.00 in cash from IBL.

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 would like to acknowledge and thank the leadership of our Member of the Executive Council for the support and guidance that he provided. Thanks further goes to the Executive and Senior Management of the Department and the Staff in general for ensuring that the vision of the Department and its intended goals are realised. Much appreciation is also due to oversight bodies and functionaries such as Portfolio Committees, the Audit Committee, Provincial Treasury and the Office of the AGSA for their positive feedback and continuous and unwavering support that they provide at all times.

Working as a team, ours can only be one goal; to try and triumph over adversity. The Department once more commits to strive for high excellent performance at all material times.

Approval

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



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Mr. SJ Msibi

Accounting Officer

Department of Police, Roads and Transport

29 July 2016

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

I have prepared the performance information report for the 2015/16 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 2016.



Mr. SJ Msibi

Head of the Department

29 July 2016



6. STRATEGIC OVERVIEW

Vision

A prosperous Free State through provision of sustainable community safety, mobility, road infrastructure and management of government motor transport.

Mission

To realise the aforesaid vision we will:

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

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
Administration specific legislation	
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.
Police specific legislation	
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.
Independent Police Investigative Directorate Act (Act 1 of 2011).	Regulates co-operation between the Secuteriat and IPID.
Domestic Violence Act (Act 116 of 1998).	The Department uses the Act to ensure compliance by the SAPS.

Legislative Mandates	Relevance to the Department
Roads infrastructure specific legislation	
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.
Roads infrastructure specific legislation (Continued)	
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.
Transport specific legislation	
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.

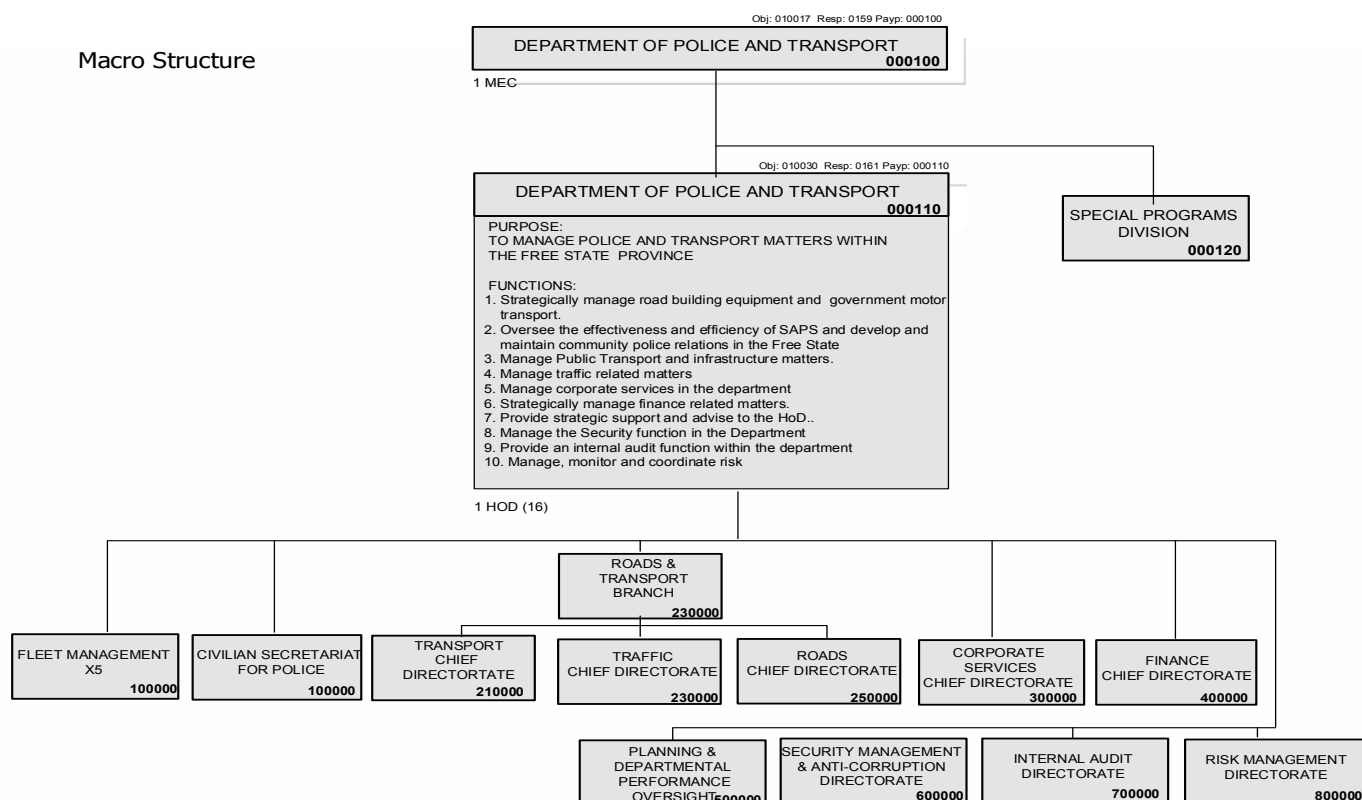
Policy Mandate	Key responsibility on the Department
National Passenger Road Plan.	To facilitate the understanding of the various designs corridor subsidy matrix will be established to validate the corridor criteria for subsidisation purposes.
National White Paper Transport Policy, 1996.	To ensure sustainable and dedicated funding for passenger transport infrastructure, operations and law enforcement.
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"> For the improvement of integrated planning of the road network and the coordination with other transport modes. Defining an integrated and appropriately classified network to provide mobility and access to stimulate growth and mobility.

7.4 Relevant court rulings

Name of the court case	Key responsibility on the Department
None	None

8. ORGANISATIONAL STRUCTURE

Macro 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. REPORT ON PRE-DETERMINED OBJECTIVES

Refer to 2.6 from page 33.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

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

- 10 outreach programmes were conducted on community safety/road shows in order to provide public education to the community.
- 9 617 learners benefited from the learner transport subsidy.
- 732 062 vehicles were stopped and checked for driver and vehicle fitness.
- 3 077 job opportunities were created through transport infrastructure projects.
- 530 schools were provided with road safety education.
- 152 road safety awareness campaigns were held.

2.2 SERVICE DELIVERY IMPROVEMENT PLAN

The Department has completed a Service Delivery Improvement Plan (SDIP). The tables below highlight the service delivery plan and the achievements to date.

Main services provided and standards

	Beneficiaries	Current /Actual standard of service	Desired standard of service	Actual achievement
Monitor SAPS	SAPS Members	The eight Batho principles have to be honoured as a minimum.		<ul style="list-style-type: none"> 60 Visits were conducted at police stations to monitor police compliance to set norms and standards. 50 Evaluation visits were conducted at police stations to assess implementation of recommendations.
Initiate and coordinate social crime prevention .	Members of the FS public.			<ul style="list-style-type: none"> Four anti-gangsterism campaigns were conducted at the following towns: Ladybrand; Welkom; Bulfontein and Hertzogville and two anti-human trafficking campaigns were conducted at the following towns Zastron and Ventersburg. Anti-crime campaigns focusing on alcohol, drug and substance abuse were held at Heidedal and Boshof
Educate the public about crime prevention.	Members of the FS public			<ul style="list-style-type: none"> Ten community outreach programmes were conducted where numerous pamphlet on human trafficking, domestic violence were distributed.
Establish and maintain a safe and efficient traffic management and Roads Safety in the FS Province.	Members of the FS public.			<ul style="list-style-type: none"> 732 062 vehicles were stopped and checked for driver and vehicle fitness. 172 scholar patrols teams were trained on road safety and 152 awareness campaigns were conducted throughout the Province.
Learner Transport	Learners			<ul style="list-style-type: none"> 129 bicycles were issued to rural learners, and 9 617 learners benefitted from learner transport subsidy.
Promote sustainable road and transport infrastructure.	Members of the FS public.			<ul style="list-style-type: none"> To ensure a safe environmentally friendly and improve transport infrastructure 52 194 kilometres of gravel roads were bladed and 393 144 square meters of blacktop patching.

2.3 ORGANISATIONAL ENVIRONMENT

The departmental organisational structure was reviewed and all unfunded posts were abolished. By March 2015 a total of 111 critical posts were filled. This brought down the vacancy rate from 22.15% to 6.5% Furthermore the department recruited and Trained 153 Traffic Officers with a goal of improving Traffic Management by ensuring greater visibility and capacity to police provincial roads to reduce road fatalities.

During the year under review the Department introduced a skills development programme for staff, rendered by the University of Free State, which is aimed at professionalising public service. The programme offers the following courses which are accredited: Customer Care for Supervisors, Customer Care for Frontline Staff, New Managers Programme and Management Development Programme.

2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

Deliberations are still under way for the review 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.

3. STRATEGIC OUTCOME ORIENTED GOALS

The Department leads the implementation of *Outcome 3* through the Provincial Secretariat for Police Service. The integrated crime prevention programme, which is centred on the Provincial Crime Prevention Strategy (PCPS), is coordinated through the Justice, Crime Prevention and Security Cluster (JCPS). The province continues to win the war against crime as evidenced in drastic reduction of crime statistics. In his State of the Province address, delivered on 16 February 2016, the Premier said our crime fighting strategies have earned our province the top spot for the third consecutive year, according to the crime statistics released last year.

The department also plays an oversight role over the South African Police Service through monitoring and evaluation of their work within prescribed set norms and standards. Relating to the strategic objective, 60 police stations were monitored and 50 evaluated on police compliance to set norms and standards. The department recorded a total of 450 complaints classified as follows:

REFERRALS	ENQUIRIES	ADVISES	FALSE	FILES OPENED	TOTAL
92	118	73	73	94	450

In the same period, 163 files were finalised. It should be noted, however, that the closed files are not only limited to the financial year under consideration but they also include cases that were carried over or brought forward from the previous years

The Department also conducts specialised research which is focused on crime and policing to ensure evidenced based planning and policy formulation. During the 2015/16 financial year, the Research Unit conducted four studies that relate to policing matters. The four research projects were conducted, in targeted Police Precincts in the province, on issues such as community perception, the impact of gangsterism on community stability, the preparedness of stations in the Mangaung policing cluster to deal with gang related violence. The results of these research projects were communicated to affected consumers.

Transport Infrastructure

The Department also leads *Outcome 6*, and contributes to *Outcome 7* through provision and maintenance of road infrastructure in urban areas. The following were achieved in 2015/16:

ROADS COMPLETED	ROADS MAINTAINED	ROADS RE-GRAVELLED
Harrismith – Oliviershoek Pass (R74)	Paul Roux to Rosendal	30 km of Gravel Roads in Motheo.
Zastron - Wepener	Vrede to Cornelia	30 km of Gravel Roads in Xhariep.
Kroonstad - Vredefort	Reitz to Tweeling	40 km of Gravel Roads in Fezile Dabi.
Parys Through Route	Hennenman to Kroonstad	40 km of Gravel Roads in Lejweleputsa.
Memel - Bothaspass	Dealesville to Hoopstad	40 km of Gravel Roads in Thabo Mofutsanyana.
Oranjeville Bridge	Dewetsdrop to Wepener	Total target achieved for Blading in all regions was 52 000 km for the year 2015.
Reitz to Kestell Road	Wepener to Hobhouse	-
Botshabelo Public Transport Route (Phase 1)	Boshof to Viljoenskroon	-
QwaQwa Public Transport Route	-	-
Zastron/ Rouxville Access Roads	-	-
Clocolan to Marquard Road	-	-
Deneysville to Sasolburg	-	-
Thaba Nchu Public Transport (Phase 1)	-	-
Excelsior Transport Centre	-	-
Tumahole Transport Route (Phase 1)	-	-

The Department continues to be innovative, through the use of massification methodologies in the delivery of transport infrastructure projects. The Thaba Nchu Public Transport Route has won the National 2015 Bokamoso EPWP award. This is the award for the best infrastructure project in all nine Provinces.

Transport Regulation

The province has committed to reduce road fatalities in support of the global plan for the *Decade of Action for Road Safety: 2011- 2020*.

Activities of Traffic Policing include road blocks, traffic patrols, speed measuring, drunken driving monitoring and other related functions. The following were recorded as achievements for the year under review.

Speed Operations conducted: 7 457

- Vehicles stopped and checked for driver fitness and vehicle road worthiness: 732 062
- Operations conducted focusing on drunken driving: 74

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 Subprogrammes:

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

Performance Indicators		Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
Human Resources Development						
1.1.1	Number of officials who attended development courses.	294	300	656	-356	Due to UFS extended staff development programme aimed at professionalizing public service.
Communications						
1.1.2	Improve signage at licensing/ testing stations and/or roads offices.	35	13	10	3	The signage improvement project was temporarily put on hold due to an Executive Council resolution to transfer the Roads function to Public Works. This would have resulted in the change of the name of the department and corporate identity. In mid-March 2016 the decision was revoked.
1.1.3	Number of Workshops/ information sessions held on road safety, transport and crime prevention issues.	4	4	4	0	-
Information and Communications Technology						
1.1.4	Number of initiatives implemented to support Department needs.	-	2	2	0	-
1.1.5	Number of ICT Steering Committee meetings held.	-	2	2	0	-
Internal Audit						
1.1.6	Number of audits conducted.	12	15	15	0	-

Performance Indicators		Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
Risk Management						
1.1.7	Number of risk awareness, identification, assessment and monitoring sessions.	55	60	60	0	-
Strategic Planning, Monitoring and Evaluation						
1.1.8	Number of visits re validation of inputs in relation to reports.	20	20	21	-1	Due to the amendment of the validations schedule more programmes were incorporated.
Supply Chain Management						
1.1.9	Percentage payments made to suppliers/contractors within 30 days from receipt of an invoice.	96.5%	100%	97%	3%	Documents of good standing were not received from service providers e.g. expired tax clearance certificates.

Reasons for deviations

The programme achieved fairly well on most of its performance indicators. Only two performance indicators were not achieved. The Department could not embark on the project of improving signage due to the decision by the Executive Council to migrate Roads Infrastructure to the Department of Public Works and Infrastructure. The Department also did not realize the 100% payment to suppliers as a result of non-compliance in submission of correct documentation by suppliers to process payments.

Strategy to overcome areas of under performance

Director for Supply Chain Management (SCM) was appointed to ensure controls and effective operations of the Unit. Workshop was conducted for service providers / suppliers on importance of compliance issues in terms of submitting invoices.

Linking performance with budget

In 2015/16 financial year the programme overspent by R164 000.00.

Subprogramme Expenditure

Final Appropriation	2015/2016			2014/2015		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1.1 OFFICE OF THE MEC						
Current Payment	10 484	10 513	(29)	8 286	9 022	(736)
Transfers and subsidies						
Payment for capital assets						
1.2 OFFICE OF THE HOD						
Current Payment	8 586	8 216	370	4 524	4 855	(331)
Payment for capital assets	-	32	(32)	-	-	
1.3 FINANCIAL MANAGEMENT						
Current payments	70 901	70 851	50	70 664	71 062	(398)
Transfers and subsidies	220	306	(86)	130	131	(1)
Payments for capital assets	91	101	(10)	48	45	3
Payment for financial assets	230	231	(1)			-
1.4 CORPORATE SERVICES						
Current payments	65 334	65 783	(449)	57 581	57 263	318
Transfers and subsidies	713	667	46	30	46	(16)
Payments for capital assets	2 293	2 293	(0)	4 993	5 704	(711)
Payment for financial assets	438	437	1			-
1.5 INTERNAL AUDIT						
Current Payment	5 884	5 779	105	4 579	5 277	(698)
Payment for capital assets						
1.6 LEGAL SERVICE						
Current Payment	6 338	6 155	183	2 863	3 330	(467)
Payment for capital assets	100	69	31	-	-	-
1.7 STRATEGIC PLAN & RESEARCH DEVELOPMENT						
Current Payment	4 508	4 847	(339)	6 582	4 558	2 024
Transfers and subsidies	50	40	10	-	-	-
1.8 SECURITY MANAGEMENT						
Current Payment	39 720	39 749	(29)	51 142	50 157	985
Transfers and subsidies	-	-	-	175	172	
Payments for capital assets	39	38	1	30	28	
Payment for financial asserts						

Final Appropriation	2015/2016			2014/2015		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1.9 RISK MANAGEMENT						
Current Payment	1 419	1 403	16	2 288	2 059	229
Payment for capital assets						
TOTAL	217 348	217 512	-164	213 915	213 708	207

Programme 1 per economic classification

Programme 1 Per economic classification	2015/2016			2014/2015		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
CURRENT PAYMENT						
Compensation of employees.	111 607	111 350	257	99 626	100 356	(730)
Goods and services.	100 950	101 331	(381)	108 883	107 175	1 708
Interest and rent on land.	617	617	0	-	51	(51)
TRANSFERS AND SUBSIDIES						
Departmental agencies and accounts.				175	172	3
Households	1 083	1114	-31	160	177	-17
PAYMENT FOR CAPITAL ASSETS						
Building and other fixed structures.						
Machinery and equipment.	2 423	2 432	-9	5071	5 778	-707
PAYMENT FOR FINANCIAL ASSETS	668	668	0			
TOTAL	217 348	217 512	-164	213915	213 708	207

4.2 PROGRAMME 2: PROVINCIAL SECRETARIAT FOR POLICE SERVICE

Purpose

The purpose of the programme is to monitor performance of Police in the delivery of services and to mobilise and ensure active community and sectoral participation in crime prevention in the province.

Programme Description

The Programme consists of the following subprogrammes:

- Oversight Monitoring and Evaluation
- Complaints Registry and Investigation
- Policy and Research
- Social Crime Prevention
- Community Police Relations
- Promotion of Safety (Compliance Unit)

Subprogramme: Monitoring and Evaluation

Strategic Objectives, Performance Indicators and Performance Targets:

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

Performance indicators

Performance Indicators		Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
2.1.1	Number of police stations monitored on (per district): • Police compliance to set norms and standards. • Management performance.	Motho (Mangaung Metro)	13	13	0	-
		Xhariep	10	10	0	-
		Fezile Dabi	12	12	0	-
		Thabo Mofutsanyana	14	14	0	-
		Lejweleputswa	11	11	0	-
2.1.2	Number of police stations evaluated on: • Police compliance to set norms and standards. • Management performance.	Motho (Mangaung Metro)	10	10	0	-
		Xhariep	8	8	0	-
		Fezile Dabi	12	12	0	-
		Thabo Mofutsanyana	12	12	0	-
		Lejweleputswa	8	8	0	-
2.1.3	Number of units monitored and evaluated on the set norms and standards for specialised units.	Specialised units	2	2	0	-

Subprogramme Complaints Registry and Investigations

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

Performance Indicators

Performance Indicators	Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
2.2.1 Number of reports reflecting the number and status of complaints.	12	12	12	0	-
2.2.2 Number of reports on the nature of complaints.	4	4	4	0	-
2.2.3 Number of reports regarding the investigation of complaints.	36	36	36	0	-

Subprogramme: Policy and Research

2.3 Conduct research to identify community safety needs in guiding interventions.

NB: Indicator for the strategic objective 2.3 is reported under the Customised Sector Targets.

Customised Sector Targets

Quarterly Indicators

Performance Indicators	Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
Number of management reports compiled on service delivery complaints against the SAPS.	20	4	4	0	-
Number of reports compiled on implementation of IPID recommendations by the SAPS.	-	4	4	-0	-
Number of police stations monitored and reports compiled.	60	60	60	0	-
Number of reports on monitoring and evaluation of special projects compiled.	2	2	2	0	-

Annual Indicators

Performance Indicator	Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
Policy and Research					
Number of research reports on special projects compiled.	0	4	4	0	-
Monitoring and Evaluation					
Number of reports on the implementation of National Monitoring Tool (NMT) recommendations compiled.	1	1	1	0	-

Subprogramme: Social Crime Prevention

Strategic Objectives, Performance Indicators, and Performance Targets:

2.4 Develop and execute social crime prevention programmes at Provincial and Local level.

Performance indicators

Performance Indicators		Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
2.4.1	Number of social crime prevention programmes/projects addressing root causes of crime in the province.	6	4	4	0	-
2.4.2	Number of school safety programmes implemented at identified high risk schools.	10	10	11	-1	The Department of Education also identified AC Jooste as a High Risk which necessitated the intervention accorded to Inoseng and Ipetleng, all of them in Petrusburg. Challenges facing those schools are alcohol, drugs and substance abuse (Dagga), teenage pregnancy and child-headed families. The interventions made at AC Jooste school resulted in over achievement by the Department.
2.4.3	<ul style="list-style-type: none"> Number of crime prevention Campaigns commemorating National and international Focus days/months (Youth; Women's; 16 days Campaign and Safety Month). 	3	4	4	0	-

Performance Indicators		Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
Number of rural safety and cross-border crime prevention initiatives/projects						
2.4.4	Human Trafficking.	3	2	2	0	-
2.4.5	Number of rural safety and stock theft programmes/projects (cross-border and inland).	4	4	4	0	-
2.4.6	Number of community outreach Programmes conducted (public meetings, road shows, etc.).	12	10	10	0	-

Subprogramme: Community Policing and Liaison

2.5 Oversee the establishment and functioning of CPFs at police stations in the Province

Performance indicators

Performance Indicators		Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
2.5.1	Number of Community Policing structures assessed on functionality.	117	110 CPFs	110	0	-
		1	1 Provincial Board	2	-1	There was a special Extended Provincial Board meeting that was convened to introduce the New Cluster System.
2.5.2	Number of established and functional sector policing forums in the Province.	318	220	220	0	-
2.5.3	Number of community safety forums established within districts.	0	8	0	8	For CSFs to be established, Councils in Local Municipalities should adopt the necessary resolution so that the Municipal Managers could assemble local stakeholders identified in the Policy under the stewardship of the Member of the Mayoral Committee or Councillor responsible for safety and establish the Community Safety Forum.

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

Performance Indicators		Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
2.6.1	Number of training workshops for CPF executive members per district.	3	3	3	0	-
2.6.2	Number of community policing projects funded.	4	5	5	0	-
2.6.3	Number of stakeholder workshops conducted for CSFs.	0	8	0	8	This is a national indicator. For CSFs to be established, councils in local municipalities should adopt the necessary resolution so that the Municipal Managers could assemble local stakeholders identified in the policy under the stewardship of the member of the Mayoral Committee or Councillor responsible for safety and establish the Community Safety Forum.

Subprogramme: Promotion of Safety

2.7 Monitor and evaluate compliance of SAPS with the DVA and assess the level of Victim Empowerment services at police station level

Performance Indicators (Outcome 3, Output 2)		Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
2.7.1	Number of police stations monitored and evaluated on the implementation of the DVA.	Motho (Mangaung Metro)	10	10	0	-
		Xhariep	10	8	0	-
		Fezile Dabi	11	12	0	-
		Thabo Mofutsanyana	13	12	0	-
		Lejweleputswa	8	8	0	-
2.7.2	Number of public awareness campaigns conducted on the DVA.	20	16	16	0	-
2.7.3	Number of police stations monitored and evaluated on the implementation of the Victim Empowerment Programme (VEP).	72	72	72	0	-

Customised Sector Targets

Performance Indicators	Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
Number of CSFs assessed.	0	4	0	4	This is a National Indicator. For CSFs to be established, Councils in Local Municipalities should adopt the necessary Resolution so that the Municipal Managers could assemble local stakeholders identified in the Policy under the stewardship of the Member of the Mayoral Committee or councilor responsible for safety and establish the CFS. Assessments did not take place because the CSFs were not established.
Number of functional CPFs assessed.	117	110	110	0	-
Number of social crime prevention programme implemented.	16	14	14	0	-
Number of DVA compliance reports compiled.	4	4	4	0	-

Reasons for deviations

The Programme achieved 90% of its planned targets. Only two indicators were not achieved throughout the quarters. This relates to establishment of Community Safety Forums (CSFs). This output could not be achieved as its implementation was depended on Municipal Councils taking resolution regarding formation of CSFs in their localities. The planned stakeholder workshops for CSFs could not be conducted as they were dependent on the formation of CSFs.

Strategy to overcome areas of under performance

This matter was escalated to the South African Local Government Association (SALGA), and Inter-Governmental Relations (IGR) Forums in District Municipalities. During the year under review a presentation was made in the district IGR meeting in Fezile Dabi.

Linking performance with budget

In 2015/16 financial year the programme underspent by R607 000.00.

Subprogramme expenditure

Subprogramme Name	2015/2016			2014/2015		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
2.1 MONITORING AND EVALUATION						
Current Payment	4 974	4 916	58	3 800	4 098	(298)
Transfers and subsidies						
2.2 COMPLAINTS AND REGISTRY						
Current payment	2 630	2 152	478	5 144	4 158	986
Transfers and subsidies	77	72	5	60	60	
Payment for capital assets	-	-	-	-	-	
Payment for financial assets	-	41	(41)			
2.3 SOCIAL CRIME PREVENTION						
Current payment	9 387	(17)	9 819	9 757	62	(36)
Transfers and subsidies	97	83	60	-		60
Payment for capital assets						
Payment for financial assets						
2.4 COMMUNITY POLICE RELATIONS						
Current Payment	3 987	3 986	1	4 315	3 631	684
Transfers and subsidies						
Payment for capital assets						

Subprogramme Name	2015/2016			2014/2015		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
2.5 PROMOTION OF SAFETY						
Current Payment	2 058	2 018	40	1 317	2 148	(831)
Transfers and subsidies				-		
Payment for capital assets						
Payment for financial assets						
TOTAL	23 276	22 669	607	24 515	23 852	663

Subprogramme expenditure

Programme 2 Per economic classification	2015/2016			2014/2015		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
CURRENT PAYMENT						
Compensation of employees.	14 602	14 287	315	15 130	15 070	60
Goods and services.	8 417	8 172	245	9 265	8 723	542
TRANSFERS AND SUBSIDIES						
Public corporations and private enterprise.						
Households	257	170	87	120	60	60
PAYMENT FOR CAPITAL ASSETS						
Building and other fixed structures.						
Machinery and equipment.						
PAYMENT FOR FINANCIAL ASSETS		41	(41)			
TOTAL	23 276	22 669	607	24 515	23 852	663

4.3 PROGRAMME 3: TRANSPORT OPERATIONS

Purpose

To plan, regulate and facilitate the provision of 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 goods and all communities particularly those currently without or with limited access.

Programme Description

The Programme consists of the following Subprogrammes:

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

Subprogramme: Public Transport Services and Systems

3.1 Promote the delivery of a well-coordinated, safe and affordable public transport service.

Performance indicators

Performance indicator		Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
3.1.1	Number of public transport subsidy provided in the province.	3	3	3	0	-
3.1.2	Number of bicycles issued to rural learners.	100	300	129	171	Schools prefer motorised mode of transport as opposed to non-motorised transport.
3.1.3	Monitor Contractual compliance of SMF and Transport Operators.	12	12	12	0	-
3.1.4	Number of learner transport subsidy contract provided in the province.	-	174	174	0	-
3.1.5	Number of schools benefitting from learner transport subsidy in the province.	-	203	203	0	-
3.1.6	Number of learners benefitting from learner subsidy in the province.	-	8 965	9 617	-652	The increase is due to the number of learners transported for special schools. (Learners with disability).

Customised Sector Targets

Performance Indicators	Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
Number of kilometers subsidised.	11 933 597.2	12 431 556.4	11 985 646.6	445 909.8	Decrease is due to a reduction in scheduled kilometres during the holiday season.
Number of trips subsidised.	262 275	216 963	265 463	-48 500	Overachievement is caused by the reduction in DNOs (Do not operate) penalties imposed on bus operators in case the bus departs 30 minutes late or early.
Number of routes subsidised.	2 808	2 808	2 808	0	-

Subprogramme: Transport Safety and Compliance

Strategic Objectives, Performance Indicators, and Performance Targets:

3.2 Conduct road safety awareness programmes through education and training.

Performance indicators

Performance Indicators	Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
3.2.1 Number of scholar patrol teams trained and retrained.	206	168	172	-4	Due to establishment of new scholar patrols in Motheo District. (Mangaung Metropolitan Municipality)
3.2.2 Number of interactions with stakeholders and role players (on road safety matters).	51	26	30	-4	Due to the additional meeting held with an organisation named Disabled People of South Africa (DPSA)
3.2.3 Number of learners utilising junior traffic training centres.	3 017	2 100	2 118	-18	Due to the appointment of Traffic Wardens who assisted a lot in capacitating young learners with <i>Child In Traffic</i> education.

Customised Sector Targets

Performance Indicators	Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
Number of road safety awareness programmes.	162	150	152	-2	Target overachieved due to intensive road safety awareness campaigns and church services.
Number of schools involved in road safety education programme.	383	525	530	-5	The partnership between the Road Safety and the Department of Education resulted in an increased support and participation of many schools in road safety programmes around the province.

Subprogramme: Infrastructure Operations

3.3 Broaden the accessibility of freight transportation

Performance indicators

Performance Indicator	Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
3.3.1 % of Harrismith Gateway Development phase completed.	90% planning	100% planning	95% planning	5% planning	Delays caused by the project relocation.
3.3.2 Re-establishment of passenger rail on the N8 corridor.	0	40% planning	40% planning	0	-

Reasons for deviations

The Programme achieved 81% of its planned targets. The programme did not achieve two of its planned output. The major area of under-achievement relates to less kilometres travelled by subsidised bus companies. This is attributed to factors such as mechanical failures and public holiday. The planning phase of Harrismith Gateway was 95% complete due to the project relocation.

Strategy to overcome areas of under performance

To set proper baselines and projections which takes into account holiday seasons.

Linking performance with budget

In the 2015/16 financial year the programme spent all the allocated funds.

Subprogramme Expenditure

Details per Subprogramme	2015/2016			2014/2015		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
4.1 PROGRAMME SUPPORT OPERATIONS						
Current Payments	1 874	1 230	644	1 784	1 617	167
Transfers and subsidies	-	-	-	-	-	-
Payments for capital assets	5	-	5	-	-	-
Payments for financial assets	12	12	0			-
4.2 PUBLIC TRANSPORT SERVICES						
Current Payments	62 535	61 767	768	11 646	10 057	1 589
Transfers and subsidies	220 669	218 459	2 210	215 900	215 774	
Payment for capital assets	-	53	(53)	-	-	
Payment for financial assets	-	-	-			
4.3 TRANSPORT SAFETY AND COMPLIANCE						
Current Payments	23 654	27 473	(3 819)	19 171	22 487	(3 316)
Transfers and subsidies	-	-	-	40	436	(396)
Payment for capital assets	165	93	72	-	-	-
4.4 TRANSPORT SYSTEM						
Current Payments	-	-	-			-
Payment for capital assets	5 350	5 344	6	4 916	3 013	1 903
4.5 INFRASTRUCTURE OPERATIONS						
Current Payments	2 041	1 875	166	2 670	390	2 280
Transfers and subsidies	-	-	-	-	-	-
Payment for capital assets	-	-	-	20	-	20
TOTAL	316 305	316 305	0	256 147	253 775	2 372

Programme 3 per economic classification

Programme 3 Per Economic Classification	2015/2016			2014/2015		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
CURRENT PAYMENTS						
Compensation of employees	30 964	33 258	(2 294)	27 475	28 046	(571)
Goods and Services	64 490	64 431	59	12 712	9 519	3 193
TRANSFERS AND SUBSIDIES						
Departmental agencies and accounts	220 669	218 459	2 210	215 900	215 774	126
Public corporations and private enterprises						
Households						
Gifts and donations						
PAYMENT FOR CAPITAL ASSETS						
Building and other fixed structures						
Machinery and equipment	170	146	24	20	-	20
Payment for financial assets	12	12	0	-	-	-
TOTAL	316 305	316 305	0	256 147	253 775	2 372

4.4 PROGRAMME 4: 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 pro active 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.

Programme Description

The Programme is structured as follows:

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

Subprogramme: Transport Administration and Licensing

Strategic Objectives, Performance Indicators and Performance Targets:

4.1. Accelerate licensing service delivery and eliminate fraud and corruption within registering authorities.

Performance indicators

Performance Indicator		Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
4.1.1	Number of customer satisfaction surveys conducted.	2	2	2	0	-
4.1.2	Number of fraud and corruption cases reported.	5	1	1	0	-
4.1.3	Increased revenue collection.	R586 096 792.00	R530 535 000	R624 644 289,33	-R94 109 289.33	Due to filling of vacancies, training of newly appointed employees and improvement of internal controls. Tariffs adjustment had a positive impact on revenue collected. Improved visibility by law enforcement also contributed.
4.1.4	Collected outstanding eNATIS debt as at 31 March 2016.	R42 999 357.00	R42 000 000	R 51 731 666,11	-R9 731 666.11	Intensive law enforcement towards Easter Holidays resulted in motorists with outstanding licence fees to settle their debts. Concerted efforts by the Debt Management Unit also paid dividends.

Subprogramme: Operator Licence and Permits

Measurable Objectives, Performance Indicators, and Performance Targets:

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

Performance indicators

Performance Indicator	Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
4.2.1 Number of training sessions held (Transport Operators).	33	36	35	1	The last training session in Motheo District which was scheduled to take place on the 29 March 2016 was cancelled due to unavailability of members of the Association.
4.2.2 Number of visits conducted to taxi associations to monitor compliance.	179	196	176	20	<ul style="list-style-type: none"> Mohokare Taxi Association was officially deregistered in June 2015 as an operating Taxi Association. Conflicts between Executive Members in the two Taxi Associations resulted in cancellation of meetings.
4.2.3 Number of visits conducted to learner transport associations to monitor compliance.	59	72	67	5	Unavailability of Taxi Associations.
4.2.4 Number of visits conducted to meter taxi associations to monitor compliance.	4	4	4	0	-

Customised Sector Targets

Performance Indicator	Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
Number of Public Regulating Entity (PRE) hearings conducted.	-	36	36	0	-

Subprogrammes: Law Enforcement

Measurable Objectives, Performance Indicators and Performance Targets:

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

Performance indicators

Performance Indicator		Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
4.3.1	Number of vehicles stopped and checked for driver and vehicle fitness.	635 737	670 000	732 062	-62 062	Intensified Law Enforcement activities and additional deployment of 153 students.

Customised Sector Targets

Performance Indicator	Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
Number of speed operations conducted.	7 336	7 300	7 457	-157	Increased visibility of Law Enforcement in order to reduce road carnages and fatalities.
Number of vehicles weighed.	-	126 000	76 539	49 461	Senekal weighbridge is under rehabilitation until 30 June 2016.
Number of drunken driving operations conducted.	-	60	74	-14	Intensified Law Enforcement activities and additional deployment of 153 students.

4.4 Ensure compliance with regard to testing stations/centres, public transport operations and enforce payment of traffic notices

Performance indicators

Performance Indicator	Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
4.4.1 Number of traffic fines defaulters contacted by tracing unit.	1 400	1 600	1 407	193	Mechanical default on tracing truck.
4.4.2 Number of traffic warrants executed.	1 414	1 600	1 410	190	Mechanical default on tracing truck.
4.4.3 Number of GG vehicles screened (Government fleet).	1 027	1 200	1 344	-144	Special joint operations were conducted which included amongst others: Traffic Tracing Unit and SAPS.

Customised Sector Targets

Performance Indicator	Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
Number of compliance inspections conducted at each testing stations per year by inspectorate.	2	2	2	0	-

Reasons for deviations

The Programme achieved 65% of its planned outputs. Six targets were not achieved. The rehabilitation of the weighbridge in Senekal, mechanical default in the tracing truck and failure of some Taxi Associations to quorate for meetings resulted in the under achievement.

Strategy to overcome areas of under performance

Rehabilitation of the weighbridge will be completed by June 2016 and mechanical problems of the tracing truck have been resolved. Meetings with Taxi Associations regarding conflicts have been convened to resolve their problems

Linking performance with budget

In 2015/16 financial year the programme overspent by R12 756 million.

Subprogramme Expenditure

Details per Subprogramme	2015/2016			2014/2015		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
4.1 PROGRAMME SUPPORT REGULATION						
Current Payments	18 722	19 526	(804)	20 690	21 004	(314)
Transfers and subsidies	768	790	(22)	-	613	(613)
Payments for capital assets						
4.2 TRANSPORT ADMINISTRATION AND LICENSING						
Current Payments	105 218	104 482	736	93 542	85 541	8 001
Transfers and subsidies	174	189	(15)	4 042	3 975	67
Payment for capital assets	559	478	81	-	11 230	(11 230)
4.3 OPERATOR LICENCE AND PERMITS						
Current Payments	12 922	13 840	(918)	13 616	12 211	1 405
Transfers and subsidies	5 000	5 000	-	5 000	5 027	(27)
Payment for capital assets	18	18	0	-	-	-
4.4 LAW ENFORCEMENT						
Current Payments	193 671	205 570	(11 899)	202 073	194 665	7 408
Transfers and subsidies	895	864	31	153	1 317	(1 164)
Payment for capital assets	55	-	55	13 523	12 643	880
TOTAL	338 002	350 758	(12 756)	352 639	348 225	4 414

Programme 4 per economic classification

Programme 4 Per Economic Classification	2015/2016			2014/2015		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
CURRENT PAYMENTS						
Compensation of employees	258 286	258 278	8	240 993	241 946	(953)
Goods and Services	72 247	85 141	(12 894)	88 928	71 474	17 454
Interest and rent on land						
TRANSFERS AND SUBSIDIES						
Departmental agencies and accounts	5 000	5 000	-	8 800	8 800	-
Public corporations and private enterprises						
Households	1 837	1 844	(7)	395	2 132	(1 737)
PAYMENT FOR CAPITAL ASSETS						
Building and other fixed structures					16 933	(16 933)
Machinery and equipment	632	496	136	13 523	6 940	6 583
TOTAL	338 002	350 758	(12 756)	352 639	348 225	4 414

4.5 PROGRAMME 5: TRANSPORT INFRASTRUCTURE

Purpose

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

Programme Description

The Programme consists of the following Subprogrammes:

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

Subprogramme: Construction and Maintenance

Strategic Objectives, Performance Indicators and Performance Targets:

5.1. Enhance improved service delivery capacity by employing contractors utilising local labour.

Performance Indicator	Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
5.1.1 Number of emerging contractors on EPWP projects.	138	104	137	-33	Overachievement due to implementation of radical economical transformation policies implemented to include more local subcontractors at projects.
5.1.2 Number of job opportunities created (Non EPWP projects).	2 456	3 000	3 077	-77	Overachievement due to implementation of radical economical transformation policies implemented to eradicate unemployment and poverty. More subcontractors appointed led to more job opportunities being created than planned.
5.1.3 Number of job opportunities created (EPWP Projects) including operation Hlasela programme (Household development programme).	2 498	2 200	2 674	-474	Overachievement due to implementation of radical economical transformation policies implemented to eradicate unemployment and poverty. More subcontractors appointed led to more job opportunities being created than planned.

5.2. Provide and maintain a vibrant and safe provincial road network service.

Performance Indicator	Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
Public Transport Construction					
5.2.1 Number of Km upgraded: Route 4 Phase 2 (9.2km).	-	2.5	2.5	0	-
5.2.2 Number of km upgraded: Monontsha (6.6 km).	1.5 km	2.4	2.4	0	-
5.2.3 Thaba Nchu public transport route (6 km).	4.1 km	2	2	0	-
5.2.4 Vrede public transport route (3 km).	-	3	3	0	-
5.2.5 Botshabelo public transport route (3.4 km).	§-	3.4	3.4	0	-
5.2.6 Qwa Qwa public transport route (3 km).	-	3	3.2	-0.2	Overachievement due to the extension of scope of work expanded within the project budgeted.

Customised Indicators

Performance Indicator	Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
Planning					
Number of kilometres of surfaced roads visually assessed as per the applicable THM manual.	-	1 585.78	1 666.2	-80.42	Overachievement due to the prioritisation of paved roads due to the backlog on paved roads, which has great financial implications, in order to assist with efficient and effective planning and budgeting of paved roads.
Number of kilometres of gravel roads visually assessed as per the applicable THM manual.	-	21 796.35	2 040	19 756.35	The equipment used for the assessment of roads was not compatible with the conditions of our gravel roads.
Construction					
Number of kilometers of gravel roads upgraded to surfaced roads within rural areas.	11	16.3	16.5	-0.2	Overachievement due to the extension of scope of work expanded within the project budgeted.
Maintenance					
Number of square meters of surfaced roads rehabilitated.	309.7	1772 300	1 955 582	-183 282	The target for the rehabilitation of surfaced was achieved and even expanded to enhance safety of the roads.
Number of square meters of surfaced roads resealed.	48 909	1 500 000	1 501 931	-1 931	Resealing was fast-tracked to avoid rainy weather.
Number of kilometers of gravel roads re-gravelled.	298.42	150	190	-40	The target for regraveling of road surfaces was achieved and even expanded due to more requests from municipalities and farmers.

Performance Indicator	Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
Number of square meters of blacktop patching (including pot holes repairs).	785 050	380 000	393 741	-13 741	Blacktop patching of roads was addressed and the set target expanded to enhance safety of the roads in the Province.
Number of kilometers of gravel roads bladed.	51 632	44 000	52 194	-8 194	Blading of roads was fast-tracked.
EPWP Co-ordination and Monitoring					
Number of jobs created.	4 954	5 200	5 751	-551	Overachievement due to implementation of radical economical transformation policies implemented mainly at construction sites to eradicate unemployment and poverty in the Province.
Number of full time equivalents (FTEs).	1 235	1 800	1 356	444	Under-achievement due to different progressive stages of road construction (layer works, sealing, etc.) Some projects were completed earlier than envisaged time.
Number of youths employed (18 - 35)	3 307	2 860	3 790	-930	Overachievement due to implementation of radical economical transformation policies implemented mainly at construction sites to eradicate unemployment and poverty in the Province.
Number of women employed.	1 861	2 860	2 453	407	Due to limited lists of targeted beneficiaries provided by stakeholders.

Reasons for deviations

The Programme performed relatively well (86%) considering that it has the highest number of indicators. The following accounts for under performance: challenges with equipment for assessment of gravel road and lower numbers submitted by stakeholders for beneficiaries of EPWP.

Strategy to overcome areas of under performance

The shortage of bitumen in the market is outside the control of the department. Municipalities will be engaged to ensure that the EPWP targets are achieved.

Linking performance with budget

In 2015/16 financial year the programme underspent by R102 million.

Subprogramme Expenditure

Details per sub-programme	2015/2016			2014/2015		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
5.1 PROGRAMME SUPPORT INFRASTRUCTURE						
Current Payments	8 132	8 234	(102)	4 533	4 852	(319)
Transfers and subsidies	2 103	2 140	(37)	-	-	-
Payments for capital assets	69	-	69	179	-	179
5.2 INFRASTRUCTURE PLANNING						
Current Payments	12 547	10 335	2 212	22 228	29 989	(7 761)
Transfers and subsidies	-	12	(12)	-	-	-
Payment for capital assets	1 170	495	675	18 142	674	17 468
Payments for financial assets	-	-	-	-	15	(15)
5.3 INFRASTRUCTURE DESIGN						
Current Payments	2 305	2 279	26	2 941	1 336	1 605
Transfers and subsidies	-	40	(40)	-	-	-
Payment for capital assets						
5.4 CONSTRUCTION						
Current Payments	1 049	582	467	4 181	1 526	2 655
Transfers and subsidies						
Payment for capital assets						

Details per sub-programme	2015/2016				2014/2015		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	
5.5 MAINTENANCE							
Current Payments	793 824	801 359	(7 535)	1 172 142	779 289	392 853	
Transfers and subsidies	2 260	1 972	288	4 590	4 722	(132)	
Payment for capital assets	689 613	685 232	4 381	352 746	739 265	(386 519)	
Payments for financial assets	-	290	(290)	-	694	(694)	
TOTAL	1 513 072	1 512 970	102	1 581 682	1 562 361	19 321	

Programme 5 per economic classification

Programme 5	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Per Economic Classification	R'000	R'000	R'000	R'000	R'000	R'000
CURRENT PAYMENTS						
Compensation of employees	143 868	143 909	(41)	133 848	131 534	2 314
Goods and Services	673 989	678 879	(4 890)	1 072 177	684 387	387 790
Interest on rent on land	-	-	-	-	1 070	(1 070)
TRANSFERS AND SUBSIDIES						
Provinces and municipalities						
Departmental agencies and accounts						
Households	4 363	4 165	198	4 590	4 722	(132)
PAYMENT FOR CAPITAL ASSETS						
Building and other fixed structures	684 998	684 388	610	367 442	733 741	(366 299)
Machinery and equipment	5 354	1 281	4 073	2 925	6 193	(3 268)
Land and subsoil assets	700	4	696	1 700	739	961
Software and other intangible assets		6	(6)			
Payment for financial assets	-	290	(290)	-	708	(708)
TOTAL	1 513 072	1 512 970	102	1 581 682	1 562 361	19 321

4.6 Fleet Management (Trading Entity)

Purpose

The entity's purpose is to provide a fleet rental and fleet advisory service to National, Provincial, District and Local municipalities.

Programme Description

Fleet Management is the trading entity under the PFMA. It generates income by delivering services to clients at cost recovery basis. These rates are revised on an annual basis. The scope of service delivery is regulated by client needs, that is, the needs of the client determines the fleet composition, the numbers of fleet equipment per type and the overall utilisation of the fleet.

Strategic Objectives, Performance Indicators and Performance Targets:

Ensure the effective and efficient management and administration of all government fleet in the Free State Province.

Performance Indicator	Actual Achievement 2014/15	Annual Target 2015/16	Actual Achieved 2015/16	Deviation from planned target	Reasons for deviation
Improvement of quality of service to client Department					
6.1.1 Provision of additional vehicles (over above normal replacement).		100%	100%	0	-
Increase procurement of maintenance and repair services from Historically Disadvantaged Individuals (HDI's).					
6.1.2 Advertisement of 3 tenders targeting HDIs.		3	10	-7	The target was exceeded due to HDIs being more competitive in the tendering processes. More Procurement Preferential Points are allocated to HDIs than BBBEE.
Keep fleet within its life expectancy					
6.1.3 Service and Maintenance of vehicles.		100%	80%	20%	The target was not achieved due to dormant vehicles which did not require maintenance.

5. TRANSFER PAYMENTS

5.1 TRANSFER PAYMENTS TO PUBLIC ENTITIES

The table below reflects the transfer payments made for the period 1 April 2015 to 31 March 2016.

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.	-	-	The entity performed very well in rendering its services.

6. 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	Purpose for which the funds were used	Compliance 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
Bus subsidies to Interstate Bus Lines, Maluti Bus Services and Thebegae	Public Transport: Buses	Yes	220 669	218 459	n/a
Free State Taxi Office	Public Transport: Taxi's	Yes	5 000	5 000	n/a

The table below reflects the transfer payments which were budgeted for in the period 1 April 2015 to 31 March 2016, 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	N/a

7. CONDITIONAL GRANTS

7.1. CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

The Department has two conditional grants namely:

7.1.1 Transport Infrastructure Grant (PRMG)

7.1.2 Public Transport Operations Grant (PTOG)

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

7.1.1 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.	
Amount received (R'000).	R1 142 796 billion
Reasons if amount as per DORA was not received.	Received all funding
Amount spent by the Department (R'000).	R1 140 418 billion
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.

7.1.2 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	
Amount received (R'000)	R3 130 million
Reasons if amount as per DORA was not received	Received all funding
Amount spent by the Department (R'000)	R3 130 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

7.1.3 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	R385 302 million
Amount received (R'000)	R372 496 million
Reasons if amount as per DORA was not received.	Received all funding
Amount spent by the Department (R'000)	R374 740 million
Reasons for the funds unspent by the entity	Funds overspent.
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

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

7.2.1 Public Transport Operations Grant

Department who transferred the grant	Department of Transport (DoT)
Purpose of the grant	To provide public transport subsidy to commuters in Thaba Nchu, Botshabelo and Mangaung Metropolitan as well as Thabo Mofutsanyana District.
Expected outputs of the grant	To subsidise 17 500 000.00 Commuters from home to their respective place of employment and back. The subsidy is scheduled to cover 12 431 556 kilometers which are classified as subsidised kilometers.
Actual outputs achieved	The number of kilometers travelled in 2015 / 2016 is 11 985 646.0 There was a variance of 445'909.6 kilometers which were not operated due to (i) MBS driver's strike (ii) Penalties incurred by the operators which were counted as Did Not Operate (30 minutes late or early departure).
Amount per amended DORA	R220 669.00
Amount received (R'000)	R220 669.00
Reasons if amount as per DORA was not received	The whole amount has been received by the Department.
Amount spent by the Department (R'000)	R219 562 318.80
Reasons for the funds unspent by the entity	The operator could not claim the whole allocated budget. The amount of R1 106 681.20 is in the account of the Department (Treasury).

Reasons for deviations on performance	The bend rate for Maluti Bus Operators (MBS) were in capped to R8 per kilometre if they 105 000 kilometers. Should they travel more than 105 000 then the bend rate for which they claim for is R5 per kilometre. This implies that the Operator claims less when he travels more kilometres hence the budget could not exhausted.
Measures taken to improve performance	The operator wrote a letter to the Department to request that the bend rate be reviewed and extended. This will not affect the allocation of PTOG for the said operator. The value of the grant will thus remain the same 17.1% of the total grant allocation.
Monitoring mechanism by the receiving Department	The Department has appointed Ramathe and Ranti Joint Venture (RRJV) in November 2013 to monitor the bus operations services and to ensure that the operators comply with legal requirements for the provision of safe, reliable, effective, efficient and fully integrated transport operations and infrastructure.

7.2.2 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	No allocation
Amount received (R'000)	No allocation
Reasons if amount as per DORA was not received	
Amount spent by the Department (R'000)	
Reasons for the funds unspent by the entity	
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.

8. CAPITAL INVESTMENT

8.1 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

Progress made on implementing the capital, investment and asset management plan.

The Department has spent R1 218 315 000 billion of the R1 227 691 000 billion 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 projects practically completed in 2015/16 are as follows

No.	Project Name and Description	Status	
		Completed	Retention
1	Rehabilitation of Harrismith to Oliviershoek.	-	Retention
2	Maintenance of Oranjeville Bridge .	-	Retention
3	Additional Flood Damage project in Fezile Dabi (Mashinini).	Completed	-
4	Flood damage project in ThaboMofutsanyana (Raubex Nodoly JV).	Completed	-
5	Flood damage project in Fezile Dabi (Down Touch Investment).	Completed	-
6	Rehabilitation of road between Deneysville and Sasolburg.	Completed	-
7	Rehabilitation of road between Kestell and Reitz.	-	Retention
8	Rehabilitation of road between Memel and Botha's Pass.	-	Retention
9	Rehabilitation of road between Clocolan and Marquard.	-	Retention
10	Rehabilitation of Kroonstad to Vredefort (Phase 2).	-	Retention

Infrastructure projects that are currently in progress

The infrastructure projects that are currently in progress are:

No.	Project Name and Description	Status
	Expected Date of Completion	
1	Upgrading of Botshabelo Transport Route (Phase 2)	31/03/2017
2	Upgrading of Thaba Nchu Public Transport Projects (Phase 3)	31/05/2017
3	Upgrading of Monontsha Border Road (Phase 2)	30/10/2016
4	Upgrading of Vrede Transport Route (Phase 2)	30/03/2017
5	Upgrading of Qwaqwa Route 4 Projects (Phase 2)	31/04/2017
6	Upgrading of Bluegumbusch (Qwaqwa Transport Route)	31/05/2016
7	Rehabilitation of Parys to Vredefort	30/07/2016
8	Rehabilitation of Kroonstad Though Route	30/06/2016
9	Rehabilitation of Tumahole Public Transport Route (Phase 2)	31/03/2017
10	Rehabilitation of A56 Meadows road in Bloemfontein	31/05/2016

No.	Project Name and Description Expected Date of Completion		Status
11	Milling, Resealing and Fog Spray		
	Lejweleputswa District	Welkom - Bultfontein	30/10/2016
		Hoopstad - Hertzogville	30/10/2016
		Bultfontein - Wesselsbron	28/03/2018
		Hoopstad - Bultfontein	01/09/2018
	Thabo Mofutsanyana District	Bethlehem - Reitz	30/10/2016
		Senekal - Marquard	01/09/2018
	Fezile Dabi District	Wonderfontein Road	30/10/2016
		Jim Fouché - Deneysville	30/08/2016
12	Tumahole Internal Roads		31/03/2017
13	Re-Gravelling in Motheo		31/03/2017
14	Re-Gravelling in Xhariep		31/03/2017
15	Re-Gravelling in Fezile Dabi		31/03/2017
16	Re-Gravelling in Lejweleputswa		31/03/2017
17	Re-Gravelling in Thabo Mofutsanyana		31/03/2017
18	Bloemfontein - Dewetsdorp - Wepener Road		30/09/2017
19	Harrismith Internal Route		01/09/2017
20	Maintainance of Meloding - Virginia Road		01/05/2017
21	Rehabilitation of Cornelia and Tweeling Access Roads		01/06/2017

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 continued till March 2016. 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 inspection was done on 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 3% very good, 15% good, 17% fair, 28% poor and 37% 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 113 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 65%. This high rate of poor roads is due to insufficient funding which results to 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	2015/2016			2014/2015		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and Replacement assets	7 100	5 561	1 539	16 400		16 400
Existing infrastructure assets						
Upgrade and additions	13 834	13 832	2	2 370	16 933	(14 563)
Rehabilitation, renovations and refurbishments	663 552	659 935	3 617	348 672	690 012	(341 340)
Building & Other fixed Structures	684 486	679 325	5 161	367 442	706 945	(339 503)
Maintenance and Repairs	540 075	538 987	1 088	948 290	610 073	338 217
Infrastructure transfer:						
- Current	-	-	-	-	-	-
- Capital	-	-	-	-	-	-
Total	1 218 315	1 225 561	6 246	1 315 732	1 317 018	(1 286)



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, providing direction and establishing 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. Users want assurance that the department has good governance structures in place to effectively, efficiently and economically utilise the state resources that create and maintain a culture of integrity driven performance, which is funded by the taxpayer.

2. RISK MANAGEMENT

Risk Management is a powerful management tool to deal 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 make informed decisions under conditions of uncertainty. It is also an effective decision making tool, to assist management to take the correct decisions in an uncertain environment.

The Free State Department of Police, Roads & 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.

The Free State Department of Police, Roads & Transport 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.

Risks 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's 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 with an independent chairperson. Quarterly risk management reports are being presented to the Risk Management Committee and the 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's 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.
- 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.
- 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 and 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
- 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 is reviewing 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. In addition a Fraud Response Plan has been developed, approved and implemented in the Department. 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.

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 DISCLOSURES ABOUT SUSPECTED 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. A formal Whistle Blowing Policy has been developed and implemented in the Department. The Whistle Blowing Policy has been communicated Enterprise Wide.

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 completed 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 the internal Labour Relation Office to the employees to ensure an understanding of the 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 the Employee-wellness unit to the employees of the Department. Nineteen occupational injuries were reported during 2015/2016. In total 138 safety representatives were appointed and trained on Organisational Health and Safety (OHS) and in First Aid.

7. PORTFOLIO COMMITTEES

Portfolio Committee on Public Works, Infrastructure, Roads, Transport and Human Settlement:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
9 September 2015	12 Nov 2015	24 February 2016	25 May 2016

Portfolio Committee on Cooperative Governance and Traditional Affairs, Office of the Premier, Legislature and Police

Quarter 1	Quarter 2	Quarter 3	Quarter 4
19 November 2015	19 November 2015	23 February 2016	5 May 2016

8. SCOPA RESOLUTIONS

RESOLUTION NUMBER	PAR	SUBJECT	DESCRIPTION (RESOLUTION ONLY)	Progress with implementation as at March 2015
				RESPONSE BY DEPARTMENT
12/1/2015	1 (a)	Information Technology controls	Information Technology controls The Committee resolved that the Accounting Officer must update the ICT Governance framework to ensure that it adequately addresses the governance structures and processes through which ICT governance will be implemented.	Corporate Governance of the ICT Policy Framework and Charter were updated and approved in August 2015. This was also submitted for Management Performance Assessment Tool in September 2015.
	2	Financial health status	The Committee resolved that the Accounting Officer must ensure that expenditure is managed to limit the use of a future year budget to pay for prior year commitments. Furthermore, progressive actions must be taken to recover departmental revenue related to Sec 56 fines.	With regard to progressive action to recover departmental revenue that's related to section 56 traffic fines, the Department has advertised a tender to deal with the administration and collection of revenue for section 56 traffic fines. The process is at an advance state, the service provider will be appointed in the 2016/17 financial year.
	3	Predetermined Objectives	The Committee resolved that the Accounting Officer must include the performance objectives, indicators and targets for the trading entity in the strategic - as well as the annual performance plan of the department, and reporting against these targets must be monitored on a quarterly basis.	The Department of Police, Roads and Transport resolved that the Annual Performance Plan (APP) 2015/16 and Strategic Plan for 2015/16-2019/2020 were re-tabled. (Objects of the Entity included in the revised APP and Strategic Plan).

RESOLUTION NUMBER	PAR	SUBJECT	DESCRIPTION (RESOLUTION ONLY)	Progress with implementation as at March 2015
				RESPONSE BY DEPARTMENT
	4(a)	Inadequate control to ensure compliance with laws and regulations	<p>The Committee resolved that the Executive Authority must ensure that funded vacancies in key positions supporting the CFO, SCM Manager and PDO Manager are filled with competent candidates.</p> <p>The Committee further resolved that the Accounting Officer must compile a set of interim financial statements which is supported by accurate, complete and valid supporting documentation.</p>	<p>All vacancies were filled within the Chief Directorate Financial Management. Newly appointed directors include the Director: SCM and Director: Budget Management. Post of the CFO was advertised and interviews conducted</p> <p>Supporting documentation was included in the Interim Financial Statements' file.</p>
	4(b)		The Committee further resolved that the Accounting Officer must put measures in place to ensure that the department complies with the Public Service Regulations.	Policies were approved by the Accounting Officer and Internal Control measures were implemented.
	5	Material adjustments to financial statements	The Committee resolved that the Accounting Officer must ensure that financial statements and supporting documents to AFS are compiled timeously to allow sufficient time for a proper review by the CFO. The AFS work file must comply with the minimum requirements issued by Provincial Treasury.	<p>Controls were put in place to review the AFS for the 2015/16 Financial Year. A committee to review the AFS was established. EY was also appointed to perform the review function.</p> <p>The Audit Committee will also review the AFS by 21 April 2016.</p>
	6(a)	Immovable assets	The Committee resolved that the Accounting Officer must ensure that all tertiary roads are verified by comparison of the Proclamations, Immovable Asset register and the actual road detail.	All findings related to the Tertiary roads on the Immovable Asset register were investigated, corrected and aligned to the actual roads. This resolution was finalised and new proclamations will be issued on the km lengths of the roads
	6(b)		The Committee resolved that the Accounting Officer must ensure that the results must be used to amend the Proclamations and to update the Immovable asset register before 31 March 2016.	The Immovable assets register was updated with this information.

RESOLUTION NUMBER	PAR	SUBJECT	DESCRIPTION (RESOLUTION ONLY)	Progress with implementation as at March 2015
				RESPONSE BY DEPARTMENT
11/2014 11/1/2014	1(a)	Information Technology Controls:	The Portfolio Committee resolved that the Accounting Officer should test the DRP to ensure timely availability of the resources that are necessary to operate critical business processes at a level acceptable to management.	<p>Free State Provincial Government Disaster Recovery site and technology solution identified, Department of Public Works attempted to acquire funding from Provincial Treasury during 2015/16 financial year. This was declined due to budget constraints. A revised funding model is in draft, to be re-submitted for approval for funding in 2016/17 financial year.</p> <p>The Department identified a Departmental-level scalable Disaster Recovery solution as an interim solution. Funding for the solution was not allocated in the 2015/16 ICT budget, this was submitted for the 2016/2017 ICT budget inputs for consideration.</p>
	1(c)	Information Technology Controls	The Portfolio Committee resolved that the Accounting Officer should ensure that training, including on-the-job training be provided to officials as required.	<p>Deputy Director: Operations Management attended an Infrastructure Management Service 6 months course in India.</p> <p>Desktop Support Practitioner attended a Microsoft Exchange Administration and Troubleshooting 4-day training course in Johannesburg.</p> <p>Desktop Support Practitioner attended a Microsoft Sharepoint Administration 4-day training course in Johannesburg.</p> <p>Desktop Support Practitioner and Assistant Manager: Control Programmer attended a Business Analysis 3-day course in Johannesburg.</p> <p>Continuous on the job training to upskill Desktop Support practitioners in Server and Domain administration.</p>

RESOLUTION NUMBER	PAR	SUBJECT	DESCRIPTION (RESOLUTION ONLY)	Progress with implementation as at March 2015
				RESPONSE BY DEPARTMENT
	2 (a)	Irregular Expenditure:	The Portfolio Committee resolved that the Accounting Officer should implement measures to prevent irregular expenditure and ensure that non-compliance with these measures are addressed in terms of section 38(1)(h)(iii) of the PFMA.	<p>Measures implemented to prevent irregular expenditure were the following:</p> <ul style="list-style-type: none"> In the Financial Management Directorate an Internal Control unit was established to scrutinise payment batches for non-compliance with PFMA and Treasury Regulations. The Accounting Officer requested the Internal Audit Directorate to conduct random investigations on payment batches to identify Irregular Expenditure.
	2(b)	Irregular Expenditure:	The Portfolio Committee resolved that the Accounting Officer should ensure that a procedure for investigation of irregular expenditure is developed and approved which include responsibility for reporting and investigation as well as the timeframes as prescribed by Provincial Treasury. Responsible officials must be held responsible if investigations are not completed within relevant timeframes.	<p>Procedures and policies regarding the detecting and investigation of Irregular Expenditure was developed and approved by the Accounting Officer. An Irregular expenditure committee and task team were appointed by the Accounting Officer to investigate all Irregular Expenditure.</p> <p>Due to the backlog on Irregular Expenditure cases, the backlog could not be finalised within 90 days. A huge backlog was received from Public Works and Infrastructure when Roads and Transport came to this department. The Department moved from R110 million in the 2013/14 financial year to R17 million in the 2015/16 financial year.</p>
		Irregular Expenditure:	Ensure that relevant official who cause the irregular expenditure be held responsible where applicable.	All irregular cases were investigated by the appointed Committee and findings were reported to the Accounting Officer.
	4	Conflict of Interest	The Accounting Officer should report the actions taken to effectively address the conflict of interest case in accordance with the relevant legislative requirements, to this Portfolio Committee.	No conflict of interest cases were reported within the 2015/16 financial year. A departmental circular was issued to state that such cases should be reported to the Accounting Officer.

9. PRIOR MODIFICATION TO AUDIT REPORT

The Department obtained an unqualified audit opinion in 2015/16 financial year.

10. INTERNAL CONTROL UNIT

Department does not have internal control unit.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

The Internal Audit's 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).

11.1 Key Activities of Internal Audit

The Internal Audit Activities (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 organisation.
- Ensuring effective organisational performance management and accountability.
- Communicating risk and control information to appropriate areas within the organisation.
- 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 organisation's governance, operations, and information system regarding the:

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

Control

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

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

11.6 Summary of Internal Audit work done during 2015/16 financial year

During the year under review the Internal Audit Unit conducted and completed 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">• Predetermined Objectives• MPAT
Financial Management	<ul style="list-style-type: none">• Procurement and Contracts• Assets• Revenue• Transfer Payments and Conditional Grants
Corporate Services	<ul style="list-style-type: none">• IT (General Controls)• Appointments• Overtime• Leave
Fleet Management	<ul style="list-style-type: none">• Assets• Revenue• Security Management• HR Management
Risk Management	<ul style="list-style-type: none">• Fraud Prevention Plan• Risk Assessment

12. INTERNAL AUDIT AND AUDIT COMMITTEE

INTERNAL AUDIT FUNCTION

In the period under review, the Internal Audit Function (IAF) of the Free State Department of Police, Roads and Transport continued to fulfil its mandate to provide an independent, objective assurance and consulting activity that is designed to add value and improve the department's operations; in line with the PFMA, Treasury Regulations and the King Report on Corporate Governance requirements.

The IAF assisted the department to accomplish its objectives by bringing a systematic and disciplined approach by evaluating and assisting in improving the effectiveness of risk management, control and governance within the department. The function is a fully in-house function and operates in accordance with the approved Internal Audit Charter, Treasury Regulations and the International Standard of the Professional Practice of Internal Auditing (ISPPIA).

The IAF is further guided by a fully functional Audit Committee which operates in terms of an approved Audit Committee Charter and the Treasury Regulations.

The IAF has been subjected to an external quality assessment, by an external quality assessor, and was found to be partially conforming to the ISPPIA. The function proceeded to implement measures to address all non-compliant requirements, assisted and monitored by the Audit Committee.

INTERNAL AUDIT RESPONSIBILITIES

The IAF through engagement with internal stakeholders formulated a comprehensive three-year rolling plan, incorporating an annual plan that was approved by the Audit Committee. The annual audit plan of planned audits was fully executed during the year under review. The IAF also performed various consulting activities, and relationships with management improved as evidenced by the increase in management requested engagements, in turn, indicating that management sees the value of the IAF within its system of governance. Furthermore, the head of the IAF has complete access and a direct reporting line to the Audit Committee and reports at each audit committee meeting on control weaknesses and other internal audit activities.

The following list constitutes the internal audit work completed during the period of review:

Business Unit	Audit Coverage
Monitoring and Evaluation	<ul style="list-style-type: none"> Review of the Draft Annual Report- Performance Information Predetermined Objectives MPAT
Financial Management	<ul style="list-style-type: none"> Review of the Draft Annual Financial Statements Procurement Assets Revenue Transfer Payments and Conditional Grants
Corporate Services	<ul style="list-style-type: none"> Appointments Overtime Leave Performance Management

AUDIT COMMITTEE

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	No. of Meetings attended
Maleho Nkomo	<ul style="list-style-type: none"> B.Com B.Com (Hons) M.Com 	External	N/A	1 September 2014	5 of 5
Andile Mahlalutye	<ul style="list-style-type: none"> BSc Quantity Surveying Diploma in Company Direction Masters in Business Leadership Masters in Financial Management Certificate in Development and Management of Non-Governmental Organisation 	External	N/A	Initial Appointment : 01 March 2011 Re-appointment: 01 September 2014	3 of 5

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	No. of Meetings attended
Priscilla Mateta	<ul style="list-style-type: none"> B Com Accounting Post Graduate Diploma in Engineering Business Management Post Graduate Certificate in Compliance Management Post Graduate Certificate in Corporate Governance Post Graduate Certificate in Environmental Law 	External	N/A	Initial Appointment : 01 March 2011 Re-appointment: 1 September 2014	5 of 5
Collen Weapond	<ul style="list-style-type: none"> LLB B Juris Certificate in Policing B Tech Policing/ Investigations Diploma in Education B. Comm Honours (IT) Postgraduate Diploma in Computer Forensic (Course work) Diploma in Business Management Diploma in Compliance Management Programme in Fraud Management Masters in Business System (Course work completed) 	External	N/A	Initial Appointment : 1 March 2011 Re-appointment: 01 September 2014	4 of 5
George Motloi	<ul style="list-style-type: none"> B Com in Accounting Management Development Programme (MDP) 	External	N/A	1 September 2014	5 of 5
Sibusiso Majola	<ul style="list-style-type: none"> Certificate in Theory of Accounting B Com Accounting (Hons) Certified Internal Auditor 	External	N/A	1 September 2014	5 of 5

The Audit Committee continues to operate within its approved charter, which is reviewed annually to ensure relevance. In discharging its functions and delivering on its mandate, the Committee ensures to comply to section 38(1)(a) of the PFMA and paragraph 3.1 of the Treasury Regulations, through the combined support of all the assurance providers.

The Audit Committee met five times during the financial year under review. In these meetings, the Accounting Officer and executive management were always represented. The Auditor-General South Africa is always invited to attend, thus ensuring that such meetings are as effective and transparent as possible, also to ensure a renewed working relationship with the AGSA and that duplication of efforts is avoided.

AUDITOR-GENERAL SOUTH AFRICA REPORT

The Internal Audit Function performed a review of the departmental Audit Action Plan to address the audit issues raised by the Auditor-General South Africa (AGSA) in the previous year and were partially satisfied that the remedial actions would address the issues raised.

12.2 AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2016.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act, 1999 (PFMA) and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the department revealed certain weaknesses, which were then raised with the Department.

The following internal audit work was completed during the year under review:

- Review of Pre-determined Objectives
- Review of Financial Management
- Audit on the Management of Performance Assessment Tool (MPAT)
- Review of Human Resource Management
- Review of Assets Management
- Evaluation of the Annual Financial Statements and Annual Report

The following were areas of concern:

- The delays in addressing the issues raised by the Auditor-General South Africa during the 2014/2015 audit
- The poor performance in relation to meeting some of the Predetermined performance targets

In-Year Management and Quarterly Reports

The Audit Committee is satisfied with the contents and quality of the department's quarterly reports issued during the year under review and submitted to the Provincial Treasury as required by the PFMA.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General South Africa and Accounting Officer
- Reviewed the information on the Predetermined Objectives to be included in the Annual Report; and
- Reviewed the Department's compliance with legal and regulatory provisions.

Auditor-General's Report

The Audit Committee liaised with the Auditor-General South Africa (AGSA) during the year. We have reviewed the department's implementation plan for audit issues raised in the previous year and we are satisfied that the matters have been, to a significant extent, adequately resolved.

The Audit Committee concurs with and accepts the conclusions of the AGSA report on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the AGSA.



Mrs. MMD Nkomo

Chairperson of the Audit Committee

29 July 2016



PART D

HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

The Human Resources (HR) oversight statistics reflected in this part of the 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 (HRM) is aligned with the strategic objective 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 Department of Public Service and Administration (DPSA) for all departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

The departmental organisational structure was reviewed and all unfunded posts were abolished. By March 2015 a total of 111 critical posts were filled. This lowered the vacancy rate from 22.15% to 6.5%.

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

- Capacity building for staff.
- Recruitment of skilled and capable workforce.
- Reduction of vacancy rate.

The department initiated a staff development programme, in partnership with the University of Free State, as its flagship programme for professionalisation of the public service. A total of 656 staff attended development courses in the following learning areas:

- Monitoring and Evaluation.
- Customer Care for Supervisors.
- Customer Care for Agents.
- New Managers Programme.
- Management Development Programme.

The reduction of the vacancy rate reported above was a result of aggressive recruitment to address the skills deficit. Critical vacancies were filled at all levels from Senior Management Service (SMS), Middle Management and frontline service delivery. In addition the Department recruited and trained 153 Traffic Officers to strengthen law enforcement.

Successful Employee Wellness Programmes were implemented during the year under review. These included HIV and AIDS awareness campaigns, TB management, health promotions and financial management. This success is derived from active HIV and AIDS peer educators' district committees and a functional Occupational Human Resource Development (OHRD) Unit. In total 138 safety representatives were appointed and trained on Occupational Health and Safety (OHS) and first aid.

The following were key achievements for the year under review:

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

Challenges faced by the Department included, amongst others, ageing personnel and a 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 owners' allowances and medical aid.

Table 3.1.1: Personnel expenditure by programme for the period 1 April 2015 and 31 March 2016.

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)	Employment
Administration	217 512	111 350	5180	0	51.19	43	2349
Civilian Oversight	0	0	0	0	0.00	0	0
Crime Prevention and Community-Police Relations	0	0	0	0	0.00	0	2 349
Provincial Secretariat for Police Services	22 667	14 287	460	0	63.03	6	2 349
Transport Infrastructure	1 512 970	143 909	3875	0	9.51	56	2 349
Transport Operation	316 305	33 258	0	0	10.51	13	2 349
Transport Regulation	350 758	258 278	157	0	73.63	100	2 349
Z=Total as on Financial Systems (BAS)	2 420 212	561 082	9 672	0	23.18	218	2349

Table 3.1.2: Personnel costs by salary band for the period 1 April 2015 and 31 March 2016.

Salary Bands	Compensation of Employees Cost including Transfers (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Services (R'000)	Number of Employees
Lower skilled (Levels 1-2)	11 266	2	47 536	577 575	237
Skilled (Levels 3-5)	175 418	30.4	174 719	577 575	1 004
Highly skilled production (Levels 6-8)	237 347	41.1	305 073	577 575	778
Highly skilled supervision (Levels 9-12)	94 070	16.3	508 486	577 575	185
Senior management (Levels 13-16)	30 911	5.4	909 147	577 575	34
Contract (Levels 1-2)	1 420	0.2	12 909	577 575	110
Contract (Levels 3-5)	298	0.1	0	577 575	0
Contract (Levels 6-8)	1 491	0.3	372 750	577 575	4
Contract (Levels 9-12)	4 086	0.7	817 200	577 575	5
Contract (Levels 13-16)	3 891	0.7	1 297 000	577 575	3
Periodical Remuneration	2 333	0.4	44 865	577 575	52
TOTAL	562 531	97.4	233 222	577 575	2412

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

Programme	Salaries (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	96 228	85.1	1433	1.3	3 300	2.9	5 687	5	113 029
Civilian Oversight	0	0	0	0	222	6.8	698	21.3	3 279
Provincial Secretariat for Police Services	12 282	105.9	0	0	133	1.1	386	3.3	11 595
Transport Infrastructure	12 1513	79.9	23	0	8 529	5.6	9 580	6.3	152 156
Transport Operations	29 297	85.6	351	1	730	2.1	1 482	4.3	34 240
Transport Regulation	215 283	81.8	14 807	5.6	10 364	3.9	20 546	7.8	263 276
TOTAL	474 603	82.2	16 614	2.9	23 278	4	38 379	6.6	577 575

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 2016.

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration, Permanent	591	515	12.9	187
Civilian Oversight, Permanent	7	6	14.3	0
Provincial Secretariat for Police Services, Permanent	21	20	4.8	0
Transport Infrastructure, Permanent	722	676	6.4	1
Transport Operations, Permanent	234	227	3	151
Transport Regulation, Permanent	948	916	3.4	0
TOTAL	2 523	2 360	6.5	339

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

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	255	238	6.7	223
Skilled (Levels 3-5), Permanent	1 062	1 003	5.6	1
Highly skilled production (Levels 6-8), Permanent	834	778	6.7	0
Highly skilled supervision (Levels 9-12), Permanent	211	185	12.3	0
Senior management (Levels 13-16), Permanent	39	34	12.8	0
Contract (Levels 1-2), Permanent	110	110	0	110
Contract (Levels 6-8), Permanent	4	4	0	3
Contract (Levels 9-12), Permanent	5	5	0	1
Contract (Levels 13-16), Permanent	3	3	0	1
TOTAL	2 523	2 360	6.5	339

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

Critical Occupations	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employment to the establishment
Administrative related, Permanent	134	125	6.7	1
All artisans in the building metal machinery etc., Permanent	5	5	0	0
Auxiliary and related workers, Permanent	11	10	9.1	0
Binding and related workers, Permanent	1	1	0	0
Cleaners in offices workshops hospitals etc., Permanent	50	46	8	0
Client inform clerks(switch receipt inform clerks), Permanent	2	1	50	0
Communication and information related, Permanent	2	2	0	0
Computer programmers., Permanent	1	1	0	0
Electrical and electronics engineering technicians, Permanent	2	2	0	0
Engineering sciences related, Permanent	21	12	42.9	1
Engineers and related professionals, Permanent	24	15	37.5	0
Finance and economics related, Permanent	5	5	0	1
Financial and related professionals, Permanent	38	31	18.4	0
Financial clerks and credit controllers, Permanent	488	443	9.2	1
Head of department/chief executive officer, Permanent	1	1	0	0
Housekeepers laundry and related workers, Permanent	1	1	0	0
Human resources & organisation development & relate prof, Permanent	30	24	20	0
Human resources clerks, Permanent	25	24	4	6
Human resources related, Permanent	5	4	20	0
Information technology related, Permanent	3	3	0	0
Inspectors of apprentices works and vehicles, Permanent	5	4	20	0
Language practitioners, interpreters and other communication officers	8	8	0	0
Library mail and related clerks, Permanent	17	16	5.9	0

Critical Occupations	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employment to the establishment
Light vehicle drivers, Permanent	3	3	0	0
Logistical support personnel, Permanent	21	18	14.3	0
Material-recording and transport clerks, Permanent	8	7	12.5	0
Messengers porters and deliverers, Permanent	19	18	5.3	0
Natural sciences related, Permanent	1	1	0	0
Other administrative & related clerks and organisers, Permanent	197	182	7.6	2
Other administrative policy and related officers, Permanent	9	7	22.2	0
Other information technology personnel., Permanent	17	16	5.9	0
Other occupations, Permanent	2	2	0	0
Other printing trade workers, Permanent	1	1	0	0
Regulatory inspectors, Permanent	582	569	2.2	148
Risk management and security services, Permanent	3	2	33.3	0
Road superintendents, Permanent	20	18	10	0
Road trade workers., Permanent	1	1	0	0
Road workers, Permanent	493	480	2.6	0
Safety health and quality inspectors, Permanent	2	2	0	0
Secretaries & other keyboard operating clerks, Permanent	29	22	24.1	0
Security officers, Permanent	196	192	2	178
Senior managers, Permanent	35	30	14.3	1
Trade labourers, Permanent	5	5	0	0
TOTAL	2 523	2 360	6.5	339

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 (SMS) by salary level. It also provides information on the advertising and filling of SMS posts, reasons for not complying with prescribed time frames and disciplinary steps taken.

Table 3.3.1: SMS post information as on 31 March 2016.

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts
Director-General/Head of Department	1	1	100	0	0
Salary Level 16	1	1	100	0	0
Salary Level 15	1	0	0	1	1
Salary Level 14	7	4	57	3	3
Salary Level 13	28	27	96	1	1
TOTAL	38	33	87	5	13

Table 3.3.2: SMS post information as on 30 September 2015.

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts
Director-General/Head of Department	1	1	100	0	0
Salary Level 16	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	24	86	4	14
TOTAL	38	32	84	6	16

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

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts
Director-General/Head of Department	1	1	100	0	0
Salary Level 16	1	1	100	0	0
Salary Level 15	1	0	0	1	100
Salary Level 14	7	4	57	3	43
Salary Level 13	28	27	96	1	4
TOTAL	38	33	87	5	13

Table 3.3.4: Reason for not having complied with the filling of vacant SMS posts advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2015 and 31 March 2016.

Reason for vacancies not advertised within six month
It was due to financial constraints.

Reason for vacancies not filled within six months
It was due to financial constraints.

Table 3.3.5: Disciplinary steps taken for not complying with the prescribed time frames for filling SMS posts within 12 months for the period 1 April 2015 and 31 March 2016.

Reason for vacancies not advertised within six months
N/A

Reason for vacancies not filled within six month
N/A

3.4. Job Evaluation

Table 3.4.1: Job Evaluation by Salary band for the period 1 April 2015 to 31 March 2016.

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Up-graded Posts Evaluated	Number of Posts Downgraded	% of Down-graded Posts Evaluated
Lower skilled (Levels 1-2)	255	0	0	0	0	0	0
Contract (Levels 1-2)	110	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	0	0	0	0	0	0
Skilled (Levels 3-5)	1 062	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	834	1	0.1	0	0	0	0
Highly skilled supervision (Levels 9-12)	211	12	5.7	1	0.5	0	0
Senior Management Service Band A	30	1	3.3	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
TOTAL	2 523	14	0.6	1	0.04	0	0

Table 3.4.2: Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2015 to 31 March 2016.

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	0	0	0	1
Male	0	0	0	0	0
Total	1	0	0	0	1
Employees with a Disability	0	0	0	0	0

Table 3.4.3: Employees with salary levels higher than those determined by job evaluation for the period 1 April 2015 and 31 March 2016.

Total number of employment whose salaries exceeded the grades determine by job evaluation	None
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Table 3.4.4: Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2015 and 31 March 2016.

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
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 2015 and 31 March 2016.

Salary band	Number of employees at beginning of period (1 April 2015)	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2), Permanent	315	37	2	0.6
Skilled (Levels 3-5), Permanent	1 027	81	68	6.6
Highly skilled production (Levels 6-8), Permanent	782	10	26	3.3
Highly skilled supervision (Levels 9-12), Permanent	161	13	11	6.8
Senior Management Service Band A, Permanent	24	1	1	4.2
Senior Management Service Band B, Permanent	6	0	1	16.7
Senior Management Service Band D, Permanent	1	0	0	0
Contract (Levels 1-2), Permanent	0	7	1	0
Contract (Levels 3-5), Permanent	1	1	0	0
Contract (Levels 6-8), Permanent	4	2	1	25
Contract (Levels 9-12), Permanent	5	0	0	0
Contract (Band A), Permanent	2	0	0	0
Contract (Band D), Permanent	1	0	0	0
TOTAL	2 329	152	111	4.8

Table 3.5.2: Annual turnover rates by critical occupation for the period 1 April 2015 and 31 March 2016.

Critical occupation	Number of employees at beginning of period (April 2015)	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, Permanent	112	11	8	7.1
All artisans in the building metal machinery etc., Permanent	5	0	0	0
Auxiliary and related workers, Permanent	9	1	0	0
Binding and related workers, Permanent	1	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	49	2	1	2
Client inform clerks(switchb receipt inform clerks), Permanent	5	0	0	0
Communication and information related, Permanent	2	0	0	0
Computer programmers., Permanent	1	0	0	0
Electrical and electronics engineering technicians, Permanent	3	0	0	0
Engineering sciences related, Permanent	19	0	0	0
Engineers and related professionals, Permanent	7	0	0	0
Finance and economics related, Permanent	5	0	0	0
Financial and related professionals, Permanent	33	2	1	3
Financial clerks and credit controllers, Permanent	417	50	17	4.1
Head of department/chief executive officer, Permanent	1	0	0	0
Housekeepers laundry and related workers, Permanent	1	0	0	0
Human resources & organisat developm & relate prof, Permanent	19	0	0	0
Human resources clerks, Permanent	14	6	1	7.1
Human resources related, Permanent	5	0	0	0
Information technology related, Permanent	3	0	0	0
Inspectors of apprentices works and vehicles, Permanent	4	0	0	0

Critical occupation	Number of employees at beginning of period (April 2015)	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Language practitioners interpreters & other commun, Permanent	8	0	0	0
Library mail and related clerks, Permanent	15	3	0	0
Light vehicle drivers, Permanent	3	0	0	0
Logistical support personnel, Permanent	17	1	2	11.8
Material-recording and transport clerks, Permanent	8	1	1	12.5
Messengers porters and deliverers, Permanent	15	0	1	6.7
Natural sciences related, Permanent	1	0	0	0
Other administrat & related clerks and organisers, Permanent	170	12	5	2.9
Other administrative policy and related officers, Permanent	10	0	1	10
Other information technology personnel., Permanent	16	0	0	0
Other occupations, Permanent	3	0	0	0
Other printing trade workers, Permanent	1	0	0	0
Regulatory inspectors, Permanent	585	1	13	2.2
Risk management and security services, Permanent	1	1	0	0
Road superintendents, Permanent	19	0	1	5.3
Road trade workers., Permanent	1	0	0	0
Road workers, Permanent	523	18	54	10.3
Safety health and quality inspectors, Permanent	1	0	0	0
Secretaries & other keyboard operating clerks, Permanent	20	4	0	0
Security officers, Permanent	163	38	3	1.8
Senior managers, Permanent	29	1	2	6.9
Trade labourers, Permanent	5	0	0	0
TOTAL	2 329	152	111	4.8

Table 3.5.3: Reasons why staff left the Department for the period 1 April 2015 and 31 March 2016.

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	20	18	0.9	111	2 329
Resignation, Permanent	34	30.6	1.5	111	2 329
Expiry of contract, Permanent	2	1.8	0.1	111	2 329
Transfers, Permanent	1	0.9	0	111	2 329
Discharged due to ill health, Permanent	1	0.9	0	111	2 329
Dismissal-misconduct, Permanent	1	0.9	0	111	2 329
Retirement, Permanent	52	46.8	2.2	111	2 329
TOTAL	111	100	4.8	111	2 329

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

Occupation	Employees 1 April 2015	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	112	11	9.8	66	58.9
All artisans in the building metal machinery etc.	5	0	0	4	80
Auxiliary and related workers	9	0	0	7	77.8
Binding and related workers	1	0	0	1	100
Cleaners in offices workshops hospitals etc.	49	0	0	36	73.5
Client inform clerks/switchb receipt inform clerks)	5	0	0	0	0
Communication and information related	2	0	0	1	50
Computer programmers.	1	0	0	0	0
Electrical and electronics engineering technicians	3	0	0	2	66.7
Engineering sciences related	19	0	0	3	15.8
Engineers and related professionals	7	0	0	2	28.6

Table 3.5.4: Promotions by critical occupation for the period 1 April 2015 and 31 March 2016. (Continued)

Occupation	Employees 1 April 2015	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Finance and economics related	5	0	0	1	20
Financial and related professionals	33	5	15.2	23	69.7
Financial clerks and credit controllers	417	17	4.1	300	71.9
Head of department/chief executive officer	1	0	0	0	0
Housekeepers laundry and related workers	1	0	0	1	100
Human resources & organisat developm & relate prof	19	9	47.4	9	47.4
Human resources clerks	14	2	14.3	6	42.9
Human resources related	5	0	0	3	60
Information technology related	3	0	0	0	0
Inspectors of apprentices works and vehicles	4	0	0	4	100
Language practitioners interpreters & other commun	8	0	0	7	87.5
Library mail and related clerks	15	0	0	2	13.3
Light vehicle drivers	3	0	0	3	100
Logistical support personnel	17	2	11.8	13	76.5
Material-recording and transport clerks	8	0	0	5	62.5
Messengers porters and deliverers	15	0	0	16	106.7
Natural sciences related	1	0	0	0	0
Other administrat & related clerks and organisers	170	1	0.6	94	55.3
Other administrative policy and related officers	10	1	10	3	30
Other information technology personnel.	16	0	0	9	56.3
Other occupations	3	0	0	0	0
Other printing trade workers	1	0	0	0	0
Regulatory inspectors	585	13	2.2	375	64.1
Risk management and security services	1	1	100	1	100
Road superintendents	19	0	0	18	94.7

Table 3.5.4: Promotions by critical occupation for the period 1 April 2015 and 31 March 2016. (Continued)

Occupation	Employees 1 April 2015	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Road trade workers.	1	0	0	1	100
Road workers	523	0	0	440	84.1
Safety health and quality inspectors	1	1	100	0	0
Secretaries & other keyboard operating clerks	20	0	0	7	35
Security officers	163	0	0	11	6.7
Senior managers	29	4	13.8	2	6.9
Trade labourers	5	0	0	4	80
TOTAL	2 329	67	2.9	1 480	63.5

Table 3.5.5: Promotions by salary band for the period 1 April 2015 and 31 March 2016.

Salary Band	Employees 1 April 2015	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2), Permanent	315	0	0	6	1.9
Skilled (Levels 3-5), Permanent	1027	1	0.1	813	79.2
Highly skilled production (Levels 6-8), Permanent	782	40	5.1	566	72.4
Highly skilled supervision (Levels 9-12), Permanent	161	22	13.7	91	56.5
Senior management (Levels 13-16), Permanent	31	4	12.9	3	9.7
Contract (Levels 1-2), Permanent	0	0	0	1	0
Contract (Levels 3-5), Permanent	1	0	0	0	0
Contract (Levels 6-8), Permanent	4	0	0	0	0
Contract (Levels 9-12), Permanent	5	0	0	0	0
Contract (Levels 13-16), Permanent	3	0	0	0	0
TOTAL	2 329	67	2.9	1 480	63.5

3.6 Employment Equity

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

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	25	0	0	25	1	5	0	0	5	1	32
Professionals, Permanent	59	2	1	62	4	46	0	0	46	9	121
Technicians and associate professionals, Permanent	88	4	0	92	16	46	3	0	49	8	165
Clerks, Permanent	203	4	0	207	7	376	12	0	388	93	695
Service and sales workers, Permanent	383	19	0	402	34	313	13	0	326	2	764
Craft and related trades workers, Permanent	17	0	0	17	8	5	0	0	5	0	30
Plant and machine operators and assemblers, Permanent	3	0	0	3	0	0	0	0	0	0	3
Elementary occupations, Permanent	417	7	0	424	8	118	0	0	118	0	550
TOTAL	1 195	36	1	1 232	78	909	28	0	937	113	2 360

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

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	1	0	0	1	0	0	0	0	0	0	1
Senior Management, Permanent	22	1	0	23	3	6	0	0	6	1	33
Professionally qualified and experienced specialists and mid-management, Permanent	109	2	1	112	15	45	1	0	46	12	185
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	327	21	0	348	52	274	14	0	288	90	778
Semi-skilled and discretionary decision making, Permanent	559	11	0	570	3	410	10	0	420	10	1003
Unskilled and defined decision making, Permanent	123	1	0	124	1	111	2	0	113	0	238
Contract (Top Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Senior Management), Permanent	2	0	0	2	0	0	0	0	0	0	2
Contract (Professionally qualified), Permanent	1	0	0	1	1	3	0	0	3	0	5
Contract (Skilled technical), Permanent	2	0	0	2	0	2	0	0	2	0	4
Contract (Unskilled), Permanent	48	0	0	48	3	58	1	0	59	0	110
TOTAL	1 195	36	1	1 232	78	909	28	0	937	113	2 360

Table 3.6.3: Recruitment for the period 1 April 2015 to 31 March 2016.

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	0	0	0	0	0	1	0	0	1	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	9	0	0	9	0	4	0	0	4	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	3	0	0	3	0	6	0	0	6	1	10
Semi-skilled and discretionary decision making, Permanent	35	0	0	35	0	46	0	0	46	0	81
Unskilled and defined decision making, Permanent	18	0	0	18	0	19	0	0	19	0	37
Contract (Skilled technical), Permanent	2	0	0	2	0	0	0	0	0	0	2
Contract (Semi-skilled), Permanent	0	0	0	0	0	1	0	0	1	0	1
Contract (Unskilled), Permanent	1	0	0	1	0	6	0	0	6	0	7
TOTAL	68	0	0	68	0	83	0	0	83	1	152

Table 3.6.4: Promotions for the period 1 April 2015 to 31 March 2016.

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Professionally qualified and experienced specialists and mid-management, Permanent.	63	2	0	65	12	27	1	0	28	8	113
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent.	269	20	0	289	45	222	12	0	234	38	606
Semi-skilled and discretionary decision making, Permanent.	485	12	0	497	3	294	9	0	303	11	814
Unskilled and defined decision making, Permanent.	1	0	0	1	0	5	0	0	5	0	6
Contract (Unskilled), Permanent	0	0	0	0	0	1	0	0	1	0	1
TOTAL	823	35	0	858	60	550	22	0	572	57	1 547
Employees with disabilities.	3	0	0	3	1	2	0	0	2	1	7

Table 3.6.5: Terminations for the period 1 April 2015 to 31 March 2016.

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Professionally qualified and experienced specialists and mid-management, Permanent	8	0	0	8	1	1	0	0	1	1	11
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	15	3	0	18	1	3	0	0	3	4	26
Semi-skilled and discretionary decision making, Permanent	51	2	0	53	0	15	0	0	15	0	68
Unskilled and defined decision making, Permanent	1	0	0	1	0	1	0	0	1	0	2
Contract (Skilled technical), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Unskilled), Permanent	1	0	0	1	0	0	0	0	0	0	1
TOTAL	78	6	0	84	2	20	0	0	20	5	111
Employees with disabilities	1	0	0	1	0	0	0	0	0	0	1

Table 3.6.6: Disciplinary actions for the period 1 April 2015 to 31 March 2016.

Disciplinary action	Male					Female					Total
	African	Coloured	Indian	Total	White	African	Coloured	Indian	Total	White	
TOTAL	0	0	0	0	0	2	1	0	0	0	3

Table 3.6.7: Skills development for the period 1 April 2015 to 31 March 2016.

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	1	1	0	2	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management, Permanent	6	0	0	6	1	1	0	0	1	1	9
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	14	3	0	17	1	3	0	0	3	4	25
Semi-skilled and discretionary decision making, Permanent	44	1	0	45	0	14	0	0	14	0	59
Unskilled and defined decision making, Permanent	1	0	0	1	0	1	0	0	1	0	2
Contract (Professionally qualified), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Skilled technical), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Semi-skilled), Permanent	1	0	0	1	0	0	0	0	0	0	1
TOTAL	69	5	0	74	2	19	0	0	19	5	100

3.7 Signing of Performance Agreements by SMS Members.

Table 3.7.1: Signing of Performance Agreements by SMS members as on 31 May 2016.

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performances agreements as % of total number of SMS members
Director- General/ Head of Department	1	1	-	-
Salary Levels 16	1	1	-	-
Salary Levels 15	1	0	-	-
Salary Levels 14	7	6	6	100
Salary Levels 13	27	26	26	100
TOTAL	37	34	32	100

Table 3.7.2: Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2016.

Reasons
N/A

Table 3.7.3: Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 March 2016.

Reasons
N/A

3.8 Performance Rewards

Table 3.8.1: Performance Rewards by race, gender and disability for the period 1 April 2015 and 31 March 2016.

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	326	1 192	27.3	2 922	-
Female	250	906	27.6	2 133	-
Asian					
Male	0	1	0	0	-
Female	0	0	0	0	-
Coloured					
Male	15	36	41.7	169	-
Female	7	28	25	59	-
White					
Male	37	77	48.1	427	-
Female	76	112	67.9	814	-
Employees with a disability	5	8	62.5	49	-
TOTAL	716	2 360	30.3	6 574	9 182

Table 3.8.2: Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2015 and 31 March 2016.

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	3	347	0.9	12	4 000	94.6%
Skilled (Levels 3 -5)	291	1 004	29	1 700	5 842	0.97%
Highly skilled production (Levels 6-8)	339	782	43.4	3 239	9 555	1.36%
Highly skilled supervision (Levels 9-12)	89	190	43.2	1 567	19 110	1.6%
TOTAL	715	2 375	30.1	6 518	9 116	

Table 3.8.3: Performance Rewards by critical occupation for the period 1 April 2015 and 31 March 2016.

Critical Occupation	Beneficiary Profile		Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Average Cost per employee
Administrative related	52	125	41.6	20 077
All artisans in the building metal machinery	4	5	80	6 500
Auxiliary and related workers	5	10	50	6 000
Binding and related workers	1	1	100	4 000
Cleaners in offices workshops hospitals	12	46	26.1	4 500
Client inform clerks (switchboard reception information clerks)	0	1	0	0
Communication and information related	1	2	50	15 000
Computer programmers	0	1	0	0
Electrical or electronics engineering technicians	2	2	100	11 500
Engineering sciences related	3	12	25	21 000
Engineers and related professionals	5	15	33.3	26 200
Finance and economics related	1	5	20	14 000
Financial and related professionals	19	31	61.3	11 421
Financial clerks and credit controllers	168	442	38	7 274
Head of department /chief executive officer	0	1	0	0
Housekeepers laundry and related workers	1	1	100	12 000
Human resources and organisation development & related professionals	7	24	29.2	11 429
Human resources clerks	4	24	16.7	7 000
Human resources related	2	4	50	26 500
Information technology related	0	3	0	0
Inspectors of apprentices works and vehicles	1	4	25	12 000

Critical Occupation	Beneficiary Profile		Cost		
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average Cost per employee
Language practitioners interpreters and other communication	1	8	12.5	9	9 000
Library mail and related clerks	2	16	12.5	19	9 500
Light vehicle drivers	1	3	33.3	6	6 000
Logistical support personnel	11	18	61.1	123	11 182
Material-recording and transport clerks	3	7	42.9	15	5 000
Messengers porters and deliverers	9	18	50	42	4 667
Natural sciences related	0	1	0	0	0
Other administrative & related clerks and organisers	76	182	41.8	672	8 842
Other administrative policy and related officers	4	7	57.1	47	11 750
Other information technology personnel	5	16	31.3	49	9 800
Other occupations	1	2	50	59	59 000
Other printing trade workers	0	1	0	0	0
Rank: Unknown	0	2	0	0	0
Regulatory inspectors	161	569	28.3	1 501	9 323
Risk management and security services	1	2	50	9	9 000
Road superintendents	15	18	83.3	197	13 133
Road trade workers	0	1	0	0	0
Road workers	122	479	25.5	689	5 590
Safety health and quality inspectors	1	2	50	10	10 000
Secretaries & other keyboard operating clerks	5	22	22.7	41	8 200
Security officers	7	192	3.6	42	6 000
Senior managers	1	30	3.3	9	9 000
Trade labourers	2	5	40	11	5 500
TOTAL	716	2360	30.3	6 571	9 177

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

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	1	31	3.2	40	40 000	0.1	26 899
Band B	0	4	0	0	0	0	0
Band D	0	2	0	0	0	0	0
TOTAL	1	37	2.7	40	40 000	0.1	26 899

3.9 Foreign Workers

Table 3.9.1: Foreign workers by salary band for the period 1 April 2015 and 31 March 2016

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	2	66.7	1	50	1	3	2
Contract (Levels 1-2)	0	0	1	33.3	1	50	1	3	2
TOTAL	1	100	3	100	2	100	1	3	2

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

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
Administrative office workers	0	0	2	66.7	2	100	1	3	2
Professionals and managers	1	100	1	33.3	0	0	1	3	2
TOTAL	1	100	3	100	2	100	1	3	2

3.10 Leave utilisation

Table 3.10.1: Sick leave for the period 1 January 2015 to 31 December 2015.

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)	62	95.2	8	0.6	8	27	1 272	59
Skilled (Levels 3-5)	3 989	86.5	583	45.8	7	2 500	1 272	3 449
Highly skilled production (Levels 6-8)	3 906	84.8	551	43.3	7	3 882	1 272	3 312
Highly skilled supervision (Levels 9-12)	747	81.3	111	8.7	7	1 415	1 272	607
Senior management (Levels 13-16)	52	86.5	14	1.1	4	180	1 272	45
Contract (Levels 6-8)	19	68.4	4	0.3	5	20	1 272	13
Contract (Levels 9-12)	8	100	1	0.1	8	13	1 272	8
TOTAL	8 783	85.3	1 272	100	7	8 037	1 272	7 493

Table 3.10.2: Disability leave (temporary and permanent) for the period 1 January 2015 to 31 December 2015.

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
Skilled (Levels 3-5)	626	99.2	38	42.7	16	400	621	89
Highly skilled production (Levels 6-8)	1 189	100	43	48.3	28	1 198	1 189	89
Highly skilled supervision (Levels 9-12)	191	100	7	7.9	27	352	191	89
TOTAL	2 012	99.8	89	100	23	1 953	2 007	89

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

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	223	17	13
Skilled (Levels 3-5)	23 762	24	990
Highly skilled production (Levels 6-8)	16 530.92	22	768
Highly skilled supervision (Levels 9-12)	3910	22	175
Senior management (Levels 13-16)	524	17	30
Contract (Levels 3-5)	2	2	1
Contract (Levels 6-8)	41	10	4
Contract (Levels 9-12)	22	7	3
Contract (Levels 13-16)	15	8	2
TOTAL	45 029.92	23	1 986

Table 3.10.4: Capped leave for the period 1 January 2015 to 31 December 2015.

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2015	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2015	Number of Employees as at 31 December 2015
Skilled (Levels 3-5)	23	4	71	6	34 274	486
Highly skilled production (Levels 6-8)	35	4	54	9	16 773	311
Highly skilled supervision (Levels 9-12)	38	13	79	3	5 676	72
TOTAL	96	5	65	18	56 723	869

Table 3.10.5: Leave payouts for the period 1 April 2015 and 31 March 2016.

Reason	Total Amount (R`000)	Number of Employees	Average per Employee (R`000)
Leave pay-out for 2015/16 due to non-utilisation of leave for the previous cycle	13	1	13 000
Capped leave pay-outs on termination of service for 2015/16	4 686	92	50 935
Current leave pay out on termination of service for 2015/16	423	33	12 818
TOTAL	5 122	126	40 651

3.11 HIV/AIDS and 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.	Awareness HIV counselling and testing campaigns, distribution of male and female condoms.

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

Question	Yes	No	Details, if any
1. Has the department designed 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: Me. RNP Kokoropo
2. Does the department have a dedicated unit or has it designated specific staff members to promote the 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	-	Six Employees
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/service of this programme.	Yes	-	Awareness education, condom distribution. Voluntary Counselling and testing. Health and safety and financial fitness
4. Has the department established (a) committee(s) as contemplated in Part VI E (e) of Chapter 1 of the Public Service Regulation, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes	-	HIV & AIDS Peer educator's District Committees, are functional
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies /practices so reviewed.	Yes	-	Recruitment and Selection Policy as well as all Employee Health & Wellness Policies are non-discriminatory
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, Health & Safety
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes	-	<ul style="list-style-type: none"> • Short incapacity due to HIV 1.1% • Long incapacity due to HIV 3,4% • Ill health retirement due to HIV 2,7%
8. Has the department developed measures /indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures / indicators.	Yes	-	Thandile Health Risk Management

Table 3.12.1: Collective Agreements for the period 1 April 2015 and 31 March 2016.

Labour Relations

Total number of collective agreements	None
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Table 3.12.2: Misconduct and disciplinary hearings finalised for the period 1 April 2015 and 31 March 2016.

Outcomes of disciplinary hearings	Number	% of Total
Written warning	0	0
Final written warning	3	60
Dismissals	2	40
Not guilty	0	0
TOTAL	5	100

Total number of disciplinary hearings finalised

None

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

Type of Misconduct	Number	% of Total
A*	11	28
Fraud and corruption	4	10
Theft and gross negligence	3	8
Dereliction of duties	1	3
Dishonesty	3	8
Theft of state money	2	5
Fighting on duty	13	33
Insolence and misrepresentations	1	3
Sexual harassment	1	3
Insubordination	39	100
TOTAL	B*	100

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

Number of grievances addressed	Number	% of Total
Interpretation /Application	9	37.5
Unfair conduct/ promotion/demotion/training/benefits sec 186(2)(a)	4	16.7
Unfair suspension/disciplinary action/Sec 186(2)(b)	4	16.7
Unfair dismissal Sec 191	3	12.5
Disclosure of Information	3	12.5
Termination of contract Sec (1)(a)186	1	4.2
TOTAL	24	100.00

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

Disputes	Number	% of Total
Interpretation /Application	9	37.5
Unfair conduct/ promotion/demotion/training/benefits sec 186(2)(a)	4	16.7
Unfair suspension/disciplinary action/Sec 186(2)(b)	4	16.7
Unfair dismissal Sec 191	3	12.5
Disclosure of Information	3	12.5
Termination of contract Sec (1)(a)186	1	4.2
TOTAL	24	100.00

Number of disputes addressed	Number	% of total
Upheld	3	27.3
Dismissed	8	72.7
TOTAL	11	100

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

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of 'no work, no pay' (R'000)	0

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

Precautionary Suspensions	Total
Number of people suspended	24
Number of people whose suspension exceeded 30 days	24
Average number of days suspended	0
Cost (R'000) of suspensions	3 220 778.39

3.13 Skills development

Table 3.13.1: Training needs identified for the period 1 April 2015 and 31 March 2016.

Occupational Category	Gender	Number of employees as at 1 April 2015	Training needs identified as start of the reporting period		
			Learnership	Skills Programmes & other short courses	Other forms of training
Legislators, senior officials and managers	Female	6		Training on conducting of disciplinary hearing, presiding officers training, WAMKELEKILE SMS induction.	
	Male	25			
Professionals	Female	53		Performance Management and Monitoring and Evaluation	
	Male	65			
Technicians and associate professionals	Female	50			
	Male	106			
Clerks	Female	453		First Aid, OHS	
	Male	199			

Table 3.13.1: Training needs identified for the period 1 April 2015 and 31 March 2016. (Continued)

Occupational Category	Gender	Number of employees as at 1 April 2015	Training needs identified as start of the reporting period			
			Learnership	Skills Programmes & other short courses	Other forms of training	Total
Service and sales workers	Female	308				
	Male	436				
Craft and related trades workers	Female	6				
	Male	26				
Plant and machine operators and assemblers	Female	0		Grader and TLB operation		
	Male	3				
Elementary occupations	Female	123		AET Level 4		
	Male	475				
Gender sub totals	Female	999				
	Male	1 334				
TOTAL		2 333				

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

Occupational Category	Gender	Number of employees as at 1 April 2015	Number of employees as at 1 April 2015 Total	18.2 Learnership	Number of employees	Training provided as start of the reporting period			
						Skills Programmes & other short courses	Other forms of training number of employees	Other forms of training	Total
Legislators, senior officials and managers	Female	6	31	0			2	Wamkelele SMS Induction	2
	Male	25		0			4		4

Table 3.13.2: Training provided for the period 1 April 2015 and 31 March 2016. (Continued)

Occupational Category	Gender	Number of employees as at 1 April 2015	Number of employees as at 1 April 2015 Total	18.2 Learnership	Number of employees	Training provided as start of the reporting period			
						Skills Programmes & other short courses	Other forms of training number of employees	Other forms of training	Total
Professionals	Female	53	118	0	22	CIP,OHS, Monitoring & Evaluation	0		22
	Male	65	-	0	31		0	-	31
Technicians and associate professionals	Female	50	156	0	11	Performance Management	0	-	11
	Male	106		0	22	First Aid	0	-	22
Clerks	Female	453	652	0	78	CIP, Performance Man, First Aid	0	-	78
	Male	199		0	73		0	-	73
Service and Sales workers	Female	308	744	0	9	OHS	0	-	9
	Male	436		0	17		0	-	17
Craft and related trades workers	Female	6	31	0	34	CIP	0	-	34
	Male	26		0	23		0	-	23
Plant and machine operators and assemblers	Female	0	3	0	15	First AID, CIP	0	-	15
	Male	3		0	24		0	-	24
Elementary occupations	Female	123	597	0	6	First Aid	0	-	6
	Male	474		0	5		0	-	5
Female		999	2 333	0	175	356	0	-	175
TOTAL		1 334		0	181	-	-	-	181

3.14 Injury on duty

Table 3.14.1: Injury on duty for the period 1 April 2015 and 31 March 2016.

Nature of Injury on duty	Number	% of Total *
Required basic medical attention only A	18	94.74
Temporary Total Disablement	1	5.26
Permanent Disablement	0	-
Fatal	0	-
TOTAL B	19	100.00

Utilisation of Consultants

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

Project title	Total Number of consultants	Duration (Work Days)	Contract Value in Rand
REITZ - KESTELL	1	12 Months	14 714 947.92
VREDE - MEMEL	1	12 Months	13 183 857.46
MEMEL - BOTHASPASS	1	12 Months	6 755 810.75
ROUTE 4	1	24 Months	-
BORROW PITS/QUARRIES	1	36 Months	14 820 000.00
ZASTRON - WEPENER	1	24 Months	12 000 000.00
KROONSTAD - VREDEFORT	1	10 Months	7 160 000.00
BLUEGUM BOSCH	1	24 Months	-
BOTSHABELO TRANSPORT ROUTE	1	12 Months	21 919 703.40
MILLING & FOGSPRAY FEZILE DABI	1	-	-
THABA NCHU PUBLIC TRANSPORT ROUTE	1	36 Months	47 047 433.75
CLOCOLAN - MARQUARD	1	24 Months	6 200 000.00
MEADOWS ROAD A57	1	-	6 205 097.35
MILLING & FOGSPRAY XHARIEP & MOTHEO	1	36 Months	2 372 687.13
FLOOD DAMAGE	1	12 Months	7 300 000
MILLING & FOGSPRAY THABO MOFUTSANYANA	1	36 Months	8 589 324.00
MILLING & FOGSPRAY LEJWELEPUTSWA	1	36 Months	7 499 664.00
BORROW PITS/QUARRIES	1	36 Months	14 820 000.00
ORANJEVILLE BRIDGE	1	12 Months	3 059 000.00
VREDE TRANSPORT CENTRE	1	36 Months	20 770 530.00
TROMPSBURG TRANSPORT CENTRE	1	24 Months	4 570 105.00
CDP	1	12 Months	120 000 000

Project title	Total Number of consultants	Duration (Work Days)	Contract Value in Rand
KROONSTAD THROUGH ROUTE	1	12	7 600 000
HARRISMITH - OLIVIERSHOEK PASS	1	12	13 000 000
TROMPSBURG TRANSPORT CENTRE	1	19	2 485 384.30
MILLING, FOG SPRAY, RESEALING LEJWELEPUTSWA DISTRICT ROADS	1	20	8 027 590.43
FEZILE DABI DISTRICT BORROW PITS/ QUARRIES	1	32	4 879 385.25
C1/2014 REPAIR OF P64/2 BETWEEN REITZ AND KESTELL	1	9	12 333 457.41
C2/2014 REPAIR OF P16/3 BETWEEN MEMEL AND BOTHAS PASS	1	11	6 364 746.66
C3/2014 REPAIR OF P16/2 BETWEEN VREDE AND MEMEL	1	11	8 321 522.10
MONONTSHA PASS (CURRENT CONSTRUCTION)	1	8	3 140 401.00
ROUTE 4/MONONTSHA PASS (PLANNING & DESIGN)	1	12	
TOWNSHIP REVITALISATION PROJECT FOR THE BUS TRANSPORT ROUTE IN VREDE	1	44	1 792 205.13
THABO MOFUTSANYANA BORROW PIT MANAGEMENT PLAN	1	44	4 628 400.00
CDP PROJECT MANAGEMENT	1	24	23 863 515.23
PARYS THROUGH ROUTE	1	2	4 912 280.70
KROONSTAD THROUGH ROUTE	1	9	4 521 651.55
P81 - OLIVIERSHOEK PASS	1	9	6 941 719.71
R26 ZASTRON TO WEPENER ROAD	1	391	3 690 000.00
P29/1 DENEYSVILLE TO VILJOENSDRIFT	1	172	13 000 000.00
KROONSTAD TO VREDEFORT ROAD	1	115	3 700 000.00
MILLING AND FOGSPRAY - FEZILE DABI	1	149	5 071 482.90
THABA NCHU PUBLIC TRANSPORT ROUTE	1	189	5 881 114.90
BOTSHABELO TRANSPORT ROUTE	1	185	3 287 955.40
BLUEGUM BOSCH	1	148	1 500 000.00
ROUTE 4	1	200	3 600 000.00
MEADOWS ROAD	1	5	7 762 500.00
VNA MENTORS CONTRACTOR DEVELOPMENT PROGRAMME (CDP) & PROJECT MANAGEMENT	1 Consultant 24	235	23 863 515.23

Project title	Total Number of consultants	Duration (Work Days)	Contract Value in Rand
VNA CONSULTING ENGINEERS PARYS THROUGH ROUTE	1 Consultancy 2	195	4 912 280.70
MILETUS CONSULTING ENGINEERS BORROW PITS/QUARRIES	1 Consultancy 44	3200	4 628 400.00
MOT PROFESSIONAL CONSULTING ENGINEERS MEADOWS ROAD A57	1 Consultancy	730	6 200 000.00
MOT PROFESSIONAL CONSULTING ENGINEERS MILLING & FOG SPRAY XHARIEP & MOTHEO	1 Consultancy	730	5 000 000.00
NAKENI ENGINEERS MILLING & FOG SPRAY THABO MOFUTSANYANA	1 Consultancy	1096	5 000 000.00
PROPER ENGINEER MILLING & FOG SPRAY LEJWELEPUTSWA	1 Consultancy 20	135	8 027 590.43
PROPER ENGINEER BURROW PITS	1 Consultancy 32	115	4 879 385.25
SELATILE MOLOI CONSULTING ENGINEERS VREDE TRANSPORT CENTRE	1 Consultancy 44	75	1 792 205.13
MOLPRO QWAQWA TRANSPORT ROUTE (BLUEGUM BOSCH)	1 Consultancy 148	100	1 500 000.00
MOLPRO QWAQWA ROUTE 4	1 Consultancy 200	140	3 600 000.00
MOLPRO BOTSHABELO TRANSPORT ROUTE	1 Consultancy 185	107	3 287 955.40
MOLPRO MILLING & FOGSPRAY FEZILE DABI	1 Consultancy 149	89	5 071 482.90
MOLPRO THABA NCHU PUBLIC TRANSPORT ROUTE	1 Consultancy 189	239	5 881 114.90
MOLPRO KROONSTAD - VREDEFORT	1 Consultancy 115	187	3 700 000.00
MOLPRO CLOCOLAN - MARQUARD	1 Consultancy 110	117	10 956 521.74

Project title	Total Number of consultants	Duration (Work Days)	Contract Value in Rand
MOLPRO ZASTRON - WEPENER	1 Consultancy 391	248	3 690 000.00
MOLPRO DENEYSVILLE - SASOLBURG	1 Consultancy 172	257	13 000 000.00
HARRISMITH LOGISTIC HUM	1 Consultancy 5	730	-
MILETUS CONSULTING ENGINEERS REITZ - KESTELL	1 Consultancy 9	920	1 233 457.00
MILETUS CONSULTING ENGINEERS VREDE - MEMEL	1 Consultancy 11	1200	8 321 522.00
MILETUS CONSULTING ENGINEERS MEMEL - BOTHASPASS	1 Consultancy 11	1120	6 364 747.00
MILETUS CONSULTING ENGINEERS ROUTE 4 & MONONTSHA	1 Consultancy 20	632	3 140 401.00
SADC CONSULTING ENGINEERS ORANJEVILLE BRIDGE	1 Consultancy	730	3 059 000.00
UMFUNDU PROFESSIONAL SERVICES TROMPSBURG TRANSPORT CENTRE	1 Consultancy 19	410	2 485 384.30

Continuing projects:

Programme 5: Transport Infrastructure Consultants Appointed			
Project Title	Total number of consultants that worked on project	Duration (work days)	Contract Value
VNA MENTORS CONTRACTOR DEVELOPMENT PROGRAMME (CDP) & PROJECT MANAGEMENT	28	± 250	± R200 m
VNA CONSULTING ENGINEERS HARRISMITH - OLIVIERSHOEK PASS	5	±150	± R130 m
VNA CONSULTING ENGINEERS KROONSTAD THROUGH ROUTE	8	±170	± R69.5 m
VNA CONSULTING ENGINEERS PARYS - VREDEFORT	7	±150	± R130 m

Programme 5: Transport Infrastructure Consultants Appointed

Project Title	Total number of consultants that worked on project	Duration (work days)	Contract Value
MOT PROFESSIONAL CONSULTING ENGINEERS –MEADOWS ROAD A57	6	±440	R62 050 973.49
MOT PROFESSIONAL CONSULTING ENGINEERS MILLING & FOG SPRAY XHARIEP & MOTHEO	1	±44	R2 300 000.00
NAKENI ENGINEERS MILLING & FOG SPRAY THABO MOFUTSANYANA	9	368	R47 270.054.32
UMFUNDU TROMPSBURG TRANSPORT CENTRE	5	173	Awaiting awarding of tender
PROPER ENGINEERS MILLING & FOG SPRAY LEJWELEPUTSWA BULTFONTEIN – WESSELSBRON	1	106	R14 182 576.96
PROPER ENGINEERS MILLING & FOG SPRAY LEJWELEPUTSWA ODENDAALSRUS – WESSELSBRON	1	112	R8 219 118.25
MOLPROCON EPWP PROJECTS TWEESPRUIT PUBLIC TRANSPORT CENTRE	1	77	R3 000 000.00
MOLPROCON DENEYSVILLE – SASOLBURG	1	396	R143 000 000.00
MOLPROCON EPWP PROJECTS THABA NCHU PUBLIC TRANSPORT ROUTE	1	236	R19 393 976.26
MOLPROCON EPWP PROJECTS BOTSHABELO	1	225	R11 874.971.20
MOLPROCON MILLING, SEALING & FOG SPRAY KROONSTAD – VILJOENSKROON	1	44	R36 908 507.45

Programme 5: Transport Infrastructure Consultants Appointed

Project Title	Total number of consultants that worked on project	Duration (work days)	Contract Value
MOLPROCON MILLING, SEALING & FOG SPRAY KROONSTAD – VREDEFORT ROAD	1	530	R76 674 114.92
MOLPROCON MILLING, SEALING & FOG SPRAY KOPPIES – KROONSTAD	1	122	R19 445 135.35
MOLPROCON MILLING, SEALING & FOG SPRAY KOPPIES – SASOLBURG	1	112	R25 507 239.00
MOLPROCON CLOCOLAN – MARQUARD	3	263	R62 170 151.
MOLPROCON TUMAHOLE INTERNAL ROADS	1	165	R15 000 000.00
MOLPROCON EPWP PROJECTS QWAQWA TRANSPORT ROUTE	1	220	R16 000 000.00
MOLPROCON EPWP PROJECTS QWAQWA ROUTE 4	1	440	R36 799 162.29
SELATILE MOLOI CONSULTING ENGINEERS VREDE TRANSPORT CENTRE	1	±303	R20 770 550.78
MILETUS REITZ – KESTELL	10	220	R15 000 000.00
MILETUS VREDE - MEMEL	13	294	R131 838 574.55
MILETUS MEMEL – BOTHAS PASS	13	102	R70 330 780 69
MILETUS MONONTSHA	13	294	R17 059 244.86

Table 3.15.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2015 and 31 March 2016.

Project Title	Total number of consultants that worked on project	Duration (work days)	Contract Value
VNA MENTORS CONTRACTOR DEVELOPMENT PROGRAMME (CDP) & PROJECT MANAGEMENT	100%	100%	26
VNA CONSULTING ENGINEERS HARRISMITH - OLIVIERSHOEK PASS	100%	100%	5
VNA CONSULTING ENGINEERS KROONSTAD THROUGH ROUTE	100%	100%	5
VNA CONSULTING ENGINEERS PARYS - VREDEFORT	100%	100%	5
MOT PROFESSIONAL CONSULTING ENGINEERS -MEADOWS ROAD A57	100%	100%	-
MOT PROFESSIONAL CONSULTING ENGINEERS MILLING & FOG SPRAY XHARIEP & MOTHEO	100%	100%	-
NAKENI ENGINEERS MILLING & FOG SPRAY THABO MOFUTSANYANA	100%	100%	7
UMFUNDU TROMPSBURG TRANSPORT CENTRE	60%	60%	3
PROPER ENGINEERS MILLING & FOG SPRAY LEJWELEPUTSWA BULTFONTEIN – WESSELSBRON	50%	20%	0
PROPER ENGINEERS MILLING & FOG SPRAY LEJWELEPUTSWA ODENDAALSRUS – WESSELSBRON	50%	20%	0
MOLPROCON EPWP PROJECTS TWEESPRUIT PUBLIC TRANSPORT CENTRE	100%	100%	1
MOLPROCON DENEYSVILLE – SASOLBURG	100%	100%	1

Project Title	Total number of consultants that worked on project	Duration (work days)	Contract Value
MOLPROCON EPWP PROJECTS THABA NCHU PUBLIC TRANSPORT ROUTE	100%	100%	1
MOLPROCON EPWP PROJECTS BOTSHABELO	100%	100%	1
MOLPROCON MILLING, SEALING & FOG SPRAY KROONSTAD – VILJOENSKROON	100%	100%	1
MOLPROCON MILLING, SEALING & FOG SPRAY KROONSTAD – VREDEFORT ROAD	100%	100%	1
MOLPROCON MILLING, SEALING & FOG SPRAY KOPPIES – KROONSTAD	100%	100%	1
MOLPROCON MILLING, SEALING & FOG SPRAY KOPPIES – SASOLBURG	100%	100%	1
MOLPROCON CLOCOLAN – MARQUARD	100%	100%	1
MOLPROCON TUMAHOLE INTERNAL ROADS	100%	100%	1
MOLPROCON EPWP PROJECTS QWAQWA TRANSPORT ROUTE	100%	100%	1
MOLPROCON EPWP PROJECTS QWAQWA ROUTE 4	100%	100%	1
SELATILE MOLOI CONSULTING ENGINEERS VREDE TRANSPORT CENTRE	100%	100%	1

Project Title	Total number of consultants that worked on project	Duration (work days)	Contract Value
MILETUS REITZ – KESTELL	0%	0%	6
MILETUS VREDE - MEMEL	0%	0%	8
MILETUS MEMEL – BOTHAS PASS	0%	0%	7
MILETUS MONONTSHA	0%	0%	8

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

Description of Service	Total number of consultants that worked on project	Durations (work days)	Contract Value
N/A	-	-	-

Table 3.15.4: Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2015 and 31 March 2016.

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
N/A	-	-	-

3.16 Severance Packages

Table 3.16.1: Granting of employee initiated severance packages for the period 1 April 2014 and 31 March 2016.

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
TOTAL	0	0	0	0



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.... to...., which comprise the appropriation statement, the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Modified Cash Standard prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 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 2016 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 R220 432 000 (2015: R209 365 000). 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 2014-15 have been restated as a result of errors discovered during 2015-16 financial statements of the Department for the year ended, 31 March 2016.

Unauthorised expenditure

10. As disclosed in note 10 to the financial statements, the department has overspent on its programmes to the amount of R41 063 000 (2015: R28 167 000). In the current year the overspending was incurred mainly in respect of programme 4: Transport regulations and this amounted to R12 921 000.

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, 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 thereon.

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 2016:
- Programme 4: transport regulation on pages x to x
 - Programme 5: transport infrastructure on pages x to x
 - Fleet Management trading entity on pages x to x
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 findings in respect of the selected programmes are as follows:

Programme 4: Transport Regulations

Reliability of reported performance information

17. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. I was not able to obtain reasonable assurance on the completeness of certain reported performance indicators. This was due to lack of adequate recording of the actual achievements on the database or registers in support of actual achievements reported in the performance report.

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 matters :

Achievement of planned targets

19. Refer to the annual performance report on pages x to x and x to x for information on the achievement of the planned targets for the year.

Adjustment of material misstatements

20. We identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of the Fleet Management Trading Entity. As management subsequently corrected the misstatements, we did not raise any material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

21. 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

22. 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 accruals, payables and other disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

23. Bids were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding, in contravention of treasury regulations 16A6.3 (a) and the Preferential Procurement Regulations.

24. Construction contracts were awarded to contractors that were not registered with the Construction Industry Development Board (CIDB) and/or did not qualify for the contract in accordance with section 18(1) of the CIDB Act and CIDB regulations 17 and 25(7A).

Internal control

25. 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

26. The oversight responsibility regarding financial and performance reporting was not always adequately exercised, resulting in the department not being able to prevent non-compliance with the supply chain management laws and regulations. However leadership implemented appropriate steps to ensure that awards made contrary to the supply chain laws and regulations were cancelled before expenditure could be incurred.

Financial and performance management

27. The financial statements were subjected to material corrections resulting from the audit process, which are attributable to weaknesses in the design and implementation of internal control in respect of financial reporting as well as reporting on predetermined objectives.

Auditor - General

Bloemfontein

31 July 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNUAL FINANCIAL STATEMENTS

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Appropriation per programme									
APPROPRIATION STATEMENT	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. ADMINISTRATION									
Current Payment	219 881	-	(6 707)	213 174	213 311	(137)	100.1%	208 509	207 582
Transfers and subsidies	1 545	-	(462)	1 083	1114	(31)	102.9%	335	348
Payment for capital assets	2 959	-	(536)	2 423	2 419	4	99.8%	5 071	5 778
Payment for financial assets	-	-	668	668	668	0	100.0%	-	-
	224 385	-	(7 037)	217 348	217 512	(164)	100.1%	213 915	213 708
2. PROVINCIAL SECRETARIAT FOR POLICE SERVICES									
Current Payment	25 043	-	(2 024)	23 019	22 458	561	97.6%	24 395	23 791
Transfers and subsidies	257	-	-	257	170	87	66.0%	120	60
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	41	(41)	-	-	-
	25 300	-	(2 024)	23 276	22 669	607	97.4%	24 515	23 851

Appropriation per programme									
APPROPRIATION STATEMENT	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3. TRANSPORT OPERATION									
Current Payment	95 224	(60)	290	95 454	97 695	(2 241)	102.3%	40 187	37 565
Transfers and subsidies	220 669	-	-	220 669	218 459	2 210	99.0%	215 940	216 210
Payment for capital assets	110	60	-	170	146	24	85.7%	20	-
Payment for financial assets	-	-	12	12	12	0	96.0%	-	-
	316 003	-	302	316 305	316 311	(-6)	100.0%	256 147	253 775
4. TRANSPORT REGULATION									
Current Payment	323 437	(382)	7 478	330 533	343 419	(12 886)	103.9%	329 921	313 420
Transfers and subsidies	5 556	-	1 281	6 837	6 844	(7)	100.1%	9 195	10 932
Payment for capital assets	250	382	-	632	496	136	78.5%	13 523	23 873
Payment for financial assets	-	-	-	-	-	-	-	-	-
	329 243	-	8 759	338 002	350 759	(12 757)	103.8%	352 639	348 225
5. TRANSPORT INFRASTRUCTURE									
Current Payment	833 240	(15 383)	-	817 857	822 789	(4 932)	100.6%	1 206 025	816 992
Transfers and subsidies	4 363	-	-	4 363	4 165	198	95.5%	4 590	4 722
Payment for capital assets	675 469	15 383	-	690 852	685 721	5 131	99.3%	371 067	739 939
Payments for financial assets	-	-	-	-	290	(290)	-	-	708
	1 513 072	-	-	1 513 072	1 512 963	109	100.0%	1 581 682	1 562 361
Subtotal	2 408 003	-	-	2 408 003	2 420 214	(12 211)	100.5%	2 428 898	2 401 922
Statutory Appropriation	-	-	-	-	-	-	-	-	-
TOTAL	2 408 003	-	-	2 408 003	2 420 214	(12 211)	100.5%	2 428 898	2 401 922

	2015/16		2014/15	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)	2 408 003	2 420 214	2 428 898	2 401 922
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	577 109		506 775	
NRF Receipts	-		-	
Aid Assistance			83 448	
Actual amounts per statement of financial performance (total revenue)	2 985 112		3 019 121	
ADD				
Aid assistance		-		83 232
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		2 420 215		2 485 154

Appropriation per economic classification									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	1 496 825	(15 825)	(963)	1 480 037	1 499 634	(19 597)	101.3%	1 809 037	1 399 351
Compensation of employees	549 607	-	9 720	559 327	561 082	(1 755)	100.3%	517 072	516 951
Salaries and wages	461 618	(63)	9 865	471 420	475 143	(3 723)	100.8%	416 124	442 053
Social contributions	87 989	63	(145)	87 907	85 939	1 968	97.8%	100 948	74 898
Goods and services	946 629	(15 825)	(10 711)	920 093	937 935	(17 842)	101.9%	1 291 965	881 279
Administrative fees	11 357	(1 455)	-	9 902	10 389	(487)	104.9%	9 391	9 934
Advertising	3 571	450	(305)	3 716	5 294	(1 578)	142.5%	3 792	3 052
Minor assets	3 259	(549)	(233)	2 477	1 278	1 199	52.8%	3 458	503
Audit costs: External	7 218	(600)	-	6 618	6 895	(277)	104.2%	9 097	8 881
Bursaries: Employees	140	-	-	140	134	6	95.5%	152	160
Catering: Departmental activities	14 297	(2 119)	(331)	11 847	11 260	587	95.0%	9 551	5 456
Communication	12 028	1 408	(440)	12 996	13 109	(113)	100.9%	12 345	12 529
Computer services	12 422	(28)	(1 220)	11 174	10 864	310	97.2%	9 298	8 903
Consultants: Business and advisory services	19 840	1 872	(1 665)	20 047	20 085	(38)	100.2%	35 451	24 976
Infrastructure and planning services	6	-	-	6	6	0	95.0%	836	6
Legal services	10 211	60	(210)	10 061	10 045	16	99.8%	5 912	5 406
Contractors	544 715	(15 035)	(72)	529 608	526 336	3 272	99.4%	951 559	568 706

Appropriation per economic classification									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Agency and support / outsourced services	45 304	(83)	(3 266)	41 955	41 900	55	99.9%	45 992	45 029
Entertainment	3	-	-	3	2	1	80.7%	124	9
Fleet services	20 727	-	(9)	20 718	25 034	(4 316)	120.8%	51 239	49 627
Inventory: Clothing material and supplies	2 457	(1 254)	-	1 203	-	1 203	-	1 212	-
Inventory: Fuel, oil and gas	793	(392)	-	401	-	401	-	102	44
Inventory: Materials and supplies	14 722	(10 453)	-	4 269	-	4 269	-	9 396	-
Inventory: Other supplies	26	-	-	26	26	0	98.7%	5	3
Consumable supplies	31 799	(2 699)	(619)	28 481	34 453	(5 972)	121.0%	15 143	22 158
Consumable: Stationery, printing and office supplies	11 289	(626)	(80)	10 583	7 794	2 789	73.6%	13 343	7 033
Operating leases	86 213	13 012	5 373	104 598	126 605	(22 007)	121.0%	74 332	85 448
Property payments	114	-	-	114	60	54	53.0%	326	11
Transport provided: Departmental activity	60 187	(910)	(6 664)	52 613	51 922	691	98.7%	1 832	1 577
Travel and subsistence	23 747	268	(660)	23 355	22 644	711	97.0%	24 679	18 936
Training and development	7 097	3 591	(162)	10 526	9 672	854	91.9%	1 783	1 032
Operating payments	2 594	(110)	(128)	2 356	1 913	443	80.9%	964	1 462
Venues and facilities	317	(17)	(20)	280	201	79	71.8%	568	220
Rental and hiring	176	(156)	-	20	15	5	73.6%	137	139
Interest and rent on land	589	-	28	617	617	0	99.9%	-	1 121

Appropriation per economic classification									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Interest	589	-	28	617	617	0	99.9%	-	1 121
Transfers and subsidies	232 390	-	819	233 209	230 751	2 458	98.9%	230 180	232 272
Departmental agencies and accounts	5 000	-	-	5 000	5 000	-	100.0%	8 975	8 972
Public corporations and private enterprises	220 669	-	-	220 669	218 459	2 210	99.0%	215 900	215 774
Private enterprises	220 669	-	-	220 669	218 459	2 210	99.0%	215 900	215 774
Other transfers to private enterprises	220 669	-	-	220 669	218 459	2 210	99.0%	215 900	215 774
Households	6 721	-	819	7 540	7 292	248	96.7%	5 305	7 527
Social benefits	4 201	-	1 246	5 447	5 218	229	95.8%	4 040	6 310
Other transfers to households	2 520	-	(427)	2 093	2 074	19	99.1%	1 265	1 217
Payments for capital assets	678 788	15 825	(536)	694 077	688 804	5 273	99.2%	389 681	769 590
Buildings and other fixed structures	669 615	15 383	-	684 998	684 388	610	99.9%	367 442	750 674
Buildings	-	-	-	-	-	-	-	14 400	18 916
Other fixed structures	669 615	15 383	-	684 998	684 388	610	99.9%	353 042	731 758
Machinery and equipment	8 673	442	(536)	8 579	4 359	4 220	50.8%	21 539	18 911
Transport equipment	-	-	-	-	-	-	-	-	5 497

Appropriation per economic classification										
2015/16										2014/15
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Other machinery and equipment	8 673	442	(536)	8 579	4 359	4 220	50.8%	21 539	13 415	
Land and subsoil assets	500	-	-	500	57	443	11.5%	700	4	
Payments for financial assets	-	-	680	680	1 010	(330)	148.5%	-	708	
TOTAL	2 408 003	-	-	2 408 003	2 420 215	(12 212)	100.5%	2 428 898	2 401 922	

Programme 1: ADMINISTRATION									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
1. OFFICE OF THE MEC	10 484	-	-	10 484	10 513	(29)	100.3%	8 286	9 022
2. OFFICE OF THE HOD	8 586	-	-	8 586	8 248	338	96.1%	4 524	4 855
3. FINANCIAL MANAGEMENT	71 836	-	(394)	71 442	71 488	(46)	100.1%	70 842	71 238
4. CORPORATE SERVICES	71 999	-	(3 221)	68 778	69 181	(403)	100.6%	62 604	63 013
5. INTERNAL AUDIT	5 884	-	-	5 884	5 779	105	98.2%	4 579	5 277
6. LEGAL SERVICES	6 398	-	40	6 438	6 225	213	96.7%	2 863	3 330
7. STRATEGIC PLAN AND RESEARCH DEVELOPMENT	4 558	-	-	4 558	4 888	(330)	107.2%	6 582	4 558
8. SECURITY MANAGEMENT	43 221	-	(3 462)	39 759	39 788	(29)	100.1%	51 347	50 357
9. RISK MANAGEMENT	1 419	-	-	1 419	1 403	16	98.9%	2 288	2 059
Total for subprogrammes	224 385	-	(7 037)	217 348	217 512	(164)	100.1%	213 915	213 708
Economic classification									
Current payments	219 881	-	(6 707)	213 174	213 318	(144)	100.1%	208 509	207 582
Compensation of employees	112 152	-	(545)	111 607	111 350	257	99.8%	99 626	100 356
Salaries and wages	96 791	(63)	(400)	96 328	96 228	100	99.9%	85 433	86 965
Social contributions	15 361	63	(145)	15 279	15 122	157	99.0%	14 193	13 391
Goods and services	107 140	-	(6 190)	100 950	101 352	(402)	100.4%	108 883	107 175
Administrative fees	11 334	(1 455)	-	9 879	10 376	(497)	105.0%	9 039	9 820

Programme 1: ADMINISTRATION									
2015/16							2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Advertising	2 398	440	(305)	2 533	2 501	32	98.7%	1 346	1 207
Minor assets	1 008	(100)	(218)	690	508	182	73.6%	527	208
Audit costs: External	7 218	(600)	-	6 618	6 895	(277)	104.2%	8 532	8 344
Bursaries: Employees	140	-	-	140	134	6	95.5%	152	160
Catering: Departmental activities	541	(18)	(13)	510	357	153	70.1%	3 331	3 163
Communication	10 430	1 425	(440)	11 415	11 637	(222)	101.9%	9 771	10 339
Computer services	10 935	(23)	(1 220)	9 692	9 681	11	99.9%	9 206	8 821
Consultants: Business and advisory services	2 085	487	(15)	2 557	1 948	609	76.2%	3 382	3 485
Legal services	7 767	-	(210)	7 557	7 545	12	99.8%	2 148	1 989
Contractors	446	11	(32)	425	445	(20)	104.8%	1 456	1 388
Agency and support / outsourced services	33 236	-	(3 260)	29 976	29 971	5	100.0%	45 350	44 467
Entertainment	3	-	-	3	2	1	80.7%	17	-
Fleet services (including government motor transport)	1 504	-	(9)	1 495	2 087	(592)	139.6%	829	2 583
Inventory: Materials and supplies	-	-	-	-	-	-	-	5	-
Consumable supplies	1 452	(157)	(114)	1 181	739	442	62.6%	1 687	1 257
Consumable: Stationery, printing and office supplies	3 054	(207)	(75)	2 772	2 573	199	92.8%	2 478	1 838
Operating leases	2 386	-	-	2 386	3 151	(765)	132.1%	2 029	2 287
Property payments	-	-	-	-	-	-	-	50	8

Programme 1: ADMINISTRATION									
2015/16							2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transport provided: Departmental activity	601	(200)	-	401	473	(72)	118.1%	1 149	1 106
Travel and subsistence	4 711	476	(199)	4 988	4 594	394	92.1%	5 293	3 709
Training and development	5 078	80	-	5 158	5 180	(22)	100.4%	480	386
Operating payments	521	(86)	(80)	355	346	9	97.4%	323	283
Venues and facilities	236	(17)	-	219	201	18	91.8%	186	213
Rental and hiring	56	(56)	-	-	-	-	-	117	112
Interest and rent on land	589	-	28	617	617	0	99.9%	-	51
Interest (Incl. interest on unitary payments (PPP))	589	-	28	617	617	0	99.9%	-	51
Transfers and subsidies	1 545	-	(462)	1 083	1 114	(31)	102.9%	335	348
Departmental agencies and accounts	-	-	-	-	-	-	-	175	172
Households	1 545	-	(462)	1 083	1 114	(31)	102.9%	160	177
Social benefits	525	-	(35)	490	522	(32)	106.5%	160	177
Other transfers to households	1 020	-	(427)	593	592	1	99.9%	-	-
Payments for capital assets	2 959	914	(536)	2 423	2 419	(4)	99.8%	5 071	5 778
Machinery and equipment	2 959	-	(536)	2 423	2 419	(4)	99.8%	5 071	5 778
Other machinery and equipment	2 959	-	(536)	2 423	2 419	(4)	99.8%	5 071	5 778
Payments for financial assets	-	-	668	668	668	0	100.0%	-	-
	224 385	-	(7 037)	217 348	217 512	(164)	100.1%	213 915	213 708

1.1 OFFICE OF THE MEC									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	10 484	-	-	10 484	10 513	(29)	100.3%	8 286	9 022
Compensation of employees	6 823	-	-	6 823	6 761	62	99.1%	5 853	6 630
Goods and services	3 661	-	-	3 661	3 752	(91)	102.5%	2 433	2 392
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	10 484	-	-	10 484	10 513	(29)	100.3%	8 286	9 022

1.2 OFFICE OF THE HOD									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	8 586			8 586	8 216	370	95.7%	4 524	4 855
Current payments									
Compensation of employees	3 640	-	-	3 640	3 278	362	90.0%	2 504	2 991
Goods and services	4 946	-	-	4 946	4 938	8	99.8%	2 020	1 846
Transfers and subsidies									
Households	-	-	-	-	32	(32)	-	-	-
Social benefits	-	-	-	-	32	(32)	-	-	-
Payments for capital assets									
	-	-	-	-	-	-	-	-	-
Payments for financial assets									
	-	-	-	-	-	-	-	-	-
TOTAL	8 586	-	-	8 586	8 248	338	96.1%	4 524	4 855

1.3 FINANCIAL MANAGEMENT									
2015/16							2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	71 458	-	(557)	70 901	70 851	50	99.9%	70 664	71 062
Compensation of employees	45 863	-	(545)	45 318	44 914	404	99.1%	43 919	43 906
Goods and services	25 006	-	-	25 006	25 361	(355)	101.4%	26 745	27 105
Interest and rent on land	589	-	(12)	577	576	1	99.9%	-	51
Transfers and subsidies	220	-	-	220	306	(86)	139.3%	130	131
Households	220	-	-	220	306	(86)	139.3%	130	131
Social benefits	220	-	-	220	306	(86)	139.3%	130	131
Payments for capital assets	158	-	(67)	91	101	(10)	110.6%	48	45
Machinery and equipment	158	-	(67)	91	101	(10)	110.6%	48	45
Other machinery and equipment	158	-	(67)	91	101	(10)	110.6%	48	45
Payments for financial assets	-	-	230	230	231	(1)	100.3%	-	-
TOTAL	71 836	-	(394)	71 442	71 488	(46)	100.1%	70 842	71 238

1.4 CORPORATE SERVICES									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	68 064	-	(2 730)	65 334	65 797	(463)	100.7%	57 581	57 263
Compensation of employees	33 517	-	-	33 517	33 772	(255)	100.8%	27 984	28 339
Goods and services	35 547	-	(2 730)	31 817	32 025	(208)	100.7%	29 597	28 923
Transfers and subsidies	1 175	-	(462)	713	667	46	93.5%	30	46
Households	1 175	-	(462)	713	667	46	93.5%	30	46
Payments for capital assets	2 760	-	(467)	2 293	2 280	13	99.4%	4 993	5 704
Machinery and equipment	2 760	-	(467)	2 293	2 280	13	99.4%	4 993	5 704
Payments for financial assets	-	-	438	438	437	1	99.8%		
TOTAL	71 999	-	(3 221)	68 778	69 181	(403)	100.6%	62 604	63 013

1.5 INTERNAL AUDIT									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5 884	-	-	5 884	5 779	105	98.2%	4 579	5 277
Compensation of employees	5 099	-	-	5 099	5 124	(25)	100.5%	4 053	4 774
Goods and services	785	-	-	785	655	130	83.5%	526	503
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	5 884	-	-	5 884	5 779	105	98.2%	4 579	5 277

1.6 LEGAL SERVICES									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	6 298	-	40	6 338	6 155	183	97.1%	2 863	3 330
Compensation of employees	2 701	-	-	2 701	2 591	110	95.9%	1 346	1 890
Goods and services	3 597	-	-	3 597	3 524	73	98.0%	1 517	1 440
Interest and rent on land	-	-	40	40	40	0	100.0%	-	-
Transfers and subsidies	100	-	-	100	69	31	69.2%	-	-
Households	100	-	-	100	69	31	69.2%	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	6 398	-	40	6 438	6 225	213	96.7%	2 863	3 330

1.7 STRATEGIC PLANNING AND RESEARCH DEVELOPMENT									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4 508	-	-	4 508	4 847	(339)	107.5%	6 582	4 558
Compensation of employees	4 020	-	-	4 020	4 461	(441)	111.0%	6 360	4 432
Goods and services	488	-	-	488	386	102	79.2%	222	126
Transfers and subsidies	50	-	-	50	40	10	80.6%	-	-
Households	50	-	-	50	40	10	80.6%	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	4 558	-	-	4 558	4 888	(330)	107.2%	6 582	4 558

1.8 SECURITY MANAGEMENT									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	43 180	-	(3 460)	39 720	39 749	(29)	100.1%	51 142	50 157
Compensation of employees	9 214	-	-	9 214	9 159	55	99.4%	5 607	5 575
Goods and services	33 966	-	(3 460)	30 506	30 590	(84)	100.3%	45 535	44 583
Transfers and subsidies	-	-	-	-	-	-	-	175	172
Departmental agencies and accounts	-	-	-	-	-	-	-	175	172
Payments for capital assets	41	-	(2)	39	38	1	98.7%	30	28
Machinery and equipment	41	-	(2)	39	38	1	98.7%	30	28
Payments for financial assets									
TOTAL	43 221	-	(3 462)	39 759	39 788	(29)	100.1%	51 347	50 357

1.9 RISK MANAGEMENT									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 419	-	-	1 419	1 403	16	98.9%	2 288	2 059
Compensation of employees	1 275	-	-	1 275	1 291	(16)	101.2%	2 000	1 820
Goods and services	144	-	-	144	113	31	78.3%	228	239
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 419	-	-	1 419	1 403	16	98.9%	2 288	2 059

Programme 2: PROVINCIAL SECRETARIAT FOR POLICE SERVICES									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. CIVILIAN OVERSIGHT	2 769	-	(62)	2 707	2 265	442	83.7%	5 204	4 217
2. MONITORING AND EVALUATION	5 081	-	(107)	4 974	4 916	58	98.8%	3 800	4 098
3. SOCIAL CRIME PREVENTION	11 250	-	(1 700)	9 550	9 484	66	99.3%	9 879	9 757
4. COMMUNITY POLICE RELATIONS	4 142	-	(155)	3 987	3 986	1	100.0%	4 315	3 631
5. PROMOTION OF SAFETY	2 058	-	-	2 058	2 018	40	98.1%	1 317	2 148
Total for subprogrammes	25 300	-	(2 024)	23 276	22 669	607	97.4%	24 515	23 851
Economic classification									
Current payments	25 043	-	(2 024)	23 019	22 458	561	97.6%	24 395	23 791
Compensation of employees	14 602	-	-	14 602	14 287	315	97.8%	15 130	15 069
Salaries and wages	12 639	-	-	12 639	12 282	357	97.2%	13 134	13 057
Social contributions	1 963	-	-	1 963	2 005	(42)	102.1%	1 996	2 012
Goods and services	10 441	-	(2 024)	8 417	8 172	245	97.1%	9 265	8 723
Advertising	75	-	-	75	71	4	94.3%	151	111
Minor assets	25	-	(15)	10	1	9	9.0%	15	-
Catering: Departmental activities	1 637	-	(258)	1 379	1 347	32	97.7%	1 448	1 250
Communication	-	-	-	-	-	-	-	43	-

Programme 2: PROVINCIAL SECRETARIAT FOR POLICE SERVICES									
2015/16							2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consultants: Business and advisory services	6 350	-	(1 350)	5 000	5 000	0	100.0%	5 000	5 000
Contractors	86	(10)	(40)	36	71	(35)	196.9%	355	313
Agency and support / outsourced services	6	-	(6)	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	5	-
Fleet services (Including government motor transport)	-	-	-	-	3	(3)	-	-	-
Consumable supplies	18	-	(5)	13	2	11	15.8%	-	-
Consumable: Stationery, printing and office supplies	63	-	(5)	58	19	39	32.5%	93	45
Operating leases	10	-	(10)	-	1	(1)	-	-	-
Property payments	99	-	-	99	57	42	57.2%	-	-
Transport provided: Departmental activity	255	-	(24)	231	205	26	88.6%	343	246
Travel and subsistence	889	50	(81)	858	791	67	92.2%	1 227	1 030
Training and development	685	(40)	(162)	483	460	23	95.3%	542	499
Operating payments	202	-	(48)	154	130	24	84.2%	-	200
Venues and facilities	21	-	(20)	1	-	1	-	23	-
Rental and hiring	20	-	-	20	15	5	73.6%	20	27
Transfers and subsidies	257	-	-	257	170	87	66.0%	120	60

Programme 2: PROVINCIAL SECRETARIAT FOR POLICE SERVICES									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	257	-	-	257	170	87	66.0%	120	60
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	41	(41)	-	-	-
TOTAL	25 300	-	(2 024)	23 276	22 669	607	97.4%	24 515	23 851

2.1 CIVILIAN OVERSIGHT									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2 692	-	(62)	2 630	2 152	478	81.8%	5 144	4 157
Compensation of employees	2 572	-	-	2 572	2 114	458	82.2%	4 916	4 090
Goods and services	120	-	(62)	58	38	20	65.3%	228	67
Transfers and subsidies	77	-	-	77	72	5	94.0%	60	60
Households	77	-	-	77	72	5	94.0%	60	60
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	41	(41)	-	-	-
TOTAL	2 769	-	(62)	2 707	2 265	442	83.7%	5 204	4 217

2.2 MONITORING AND EVALUATION									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5 081	-	(107)	4 974	4 916	58	98.8%	3 800	4 098
Compensation of employees	4 678	-	-	4 678	4 620	58	98.8%	3 458	3 688
Goods and services	403	-	(107)	296	295	1	99.7%	342	411
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	5 081	-	(107)	4 974	4 916	58	98.8%	3 800	4 098

2.3 SOCIAL CRIME PREVENTION									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	11 070	-	(1 700)	9 370	9 387	(17)	100.2%	9 819	9 757
Compensation of employees	2 770	-	-	2 770	2 843	(73)	102.6%	2 728	2 941
Goods and services	8 300	-	(1 700)	6 600	6 544	56	99.2%	7 091	6 817
Transfers and subsidies	180	-	-	180	97	83	54.0%	60	-
Households	180	-	-	180	97	83	54.0%	60	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	11 250	-	(1 700)	9 550	9 484	66	99.3%	9 879	9 757

2.4 COMMUNITY POLICE RELATIONS									
2015/16								2014//15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4 142	-	(155)	3 987	3 986	1	100.0%	4 315	3 631
Compensation of employees	3 069	-	-	3 069	3 082	(13)	100.4%	3 343	2 691
Goods and services	1 073	-	(155)	918	904	14	98.5%	972	940
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	4 142	-	(155)	3 987	3 986	1	100.0%	4 315	3 631

2.5 PROMOTION OF SAFETY									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2 058	-	-	2 058	2 018	40	98.1%	1 317	2 148
Compensation of employees	1 513	-	-	1 513	1 628	(115)	107.6%	685	1 659
Goods and services	545	-	-	545	390	155	71.6%	632	489
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	2 058	-	-	2 058	2 018	40	98.1%	1 317	2 148

Programme 3: PUBLIC ROADS AND TRANSPORT OPERATIONS									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
1. PROGRAMME SUPPORT OPERATION	1 922	-	(31)	1 891	1 241	650	65.6%	1 784	1 616
2. PUBLIC TRANSPORT SERVICES	290 331	-	(7 127)	283 204	280 278	2 926	99.0%	227 546	225 831
3. TRANSPORT SAFETY AND COMPLIANCE	16 349	-	7 470	23 819	27 566	(3 747)	115.7%	19 211	22 923
4. INFRASTRUCTURE OPERATION	2 051	-	(10)	2 041	1 875	166	91.9%	2 690	390
5. TRANSPORT SYSTEMS	5 350	-	-	5 350	5 350	-	100.0%	4 916	3 013
Total for subprogrammes	316 003	-	302	316 305	316 310	(5)	100.0%	256 147	253 775
Economic classification									
Current payments	95 224	(60)	290	95 454	97 666	(2 212)	102.3%	40 187	37 565
Compensation of employees	22 794	-	8 170	30 964	33 258	(2 294)	107.4%	27 475	28 046
Salaries and wages	18 806	-	8 170	26 976	29 297	(2 321)	108.6%	24 242	24 857
Social contributions	3 988	-	-	3 988	3 961	27	99.3%	3 233	3 189
Goods and services	72 430	(60)	(7 880)	64 490	64 408	82	99.9%	12 712	9 519
Advertising	198	-	-	198	142	56	71.7%	193	30
Minor assets	120	-	-	120	11	109	32.4%	203	20
Catering: Departmental activities	159	-	(60)	99	97	2	98.2%	172	79
Communication	14	2	-	16	2	14	11.8%	8	0

Programme 3: PUBLIC ROADS AND TRANSPORT OPERATIONS									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consultants: Business and advisory services	9 526	-	(300)	9 226	9 218	8	99.9%	8 369	5 948
Legal services	-	-	-	-	-	-	-	301	-
Contractors	162	(45)	-	117	94	23	80.3%	1 046	240
Entertainment	-	-	-	-	-	-	-	12	-
Fleet services (Including government motor transport)	329	-	-	329	795	(466)	241.5%	193	1 011
Consumable supplies	146	448	(500)	94	43	51	45.6%	188	90
Consumable: Stationery, printing and office supplies	182	60	-	242	80	162	33.2%	357	219
Operating leases	407	-	-	407	1 057	(650)	259.7%	134	438
Transport provided: Departmental activity	59 231	(710)	(6 640)	51 881	51 244	637	98.8%	156	155
Travel and subsistence	1 780	185	(380)	1 585	1 505	80	95.0%	1 145	1 103
Training and development	-	-	-	-	-	-	-	121	112
Operating payments	176	-	-	176	120	56	68.5%	43	72
Venues and facilities	-	-	-	-	-	-	-	60	-
Transfers and subsidies	220 669	-	-	220 669	218 459	2 210	99.0%	215 940	216 210
Public corporations and private enterprises	220 669	-	-	220 669	218 459	2 210	99.0%	215 900	215 774
Households								40	436

Programme 3: PUBLIC ROADS AND TRANSPORT OPERATIONS									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	110	60	-	170	146	24	85.7%	20	-
Machinery and equipment	110	60	-	170	174	24	85.7%	20	-
Payments for financial assets	-	-	12	12	12	0	96.0%	-	-
TOTAL	316 003	-	302	316 305	316 311	(6)	100.0%	256 147	253 775

3.1 PROGRAMME SUPPORT OPERATION									
2015/16							2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 917	-	(43)	1 874	1 230	644	65.6%	1 784	1 616
Compensation of employees	1 709	-	-	1 709	1 118	591	65.4%	1 542	1 542
Goods and services	208	-	(43)	165	112	53	67.8%	242	489
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	5	-	-	5	-	5	-	-	-
Machinery and equipment	5	-	-	5	-	5	-	-	-
Payments for financial assets	-	-	12	12	12	0	96.0%	-	-
TOTAL	1 922	-	(31)	1 891	1 241	650	65.6%	1 784	1 617

3.2 PUBLIC, ROADS AND TRANSPORT SERVICES									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	69 662	-	(7 127)	62 535	61 767	768	98.8%	11, 646	10 057
Compensation of employees	6 523	-	-	6 523	6 028	495	92.4%	6 324	6 484
Goods and services	63 139	-	(7 127)	56 012	55 739	273	99.5%	5 322	3 573
Transfers and subsidies	220 669	-	-	220 669	218 459	2 210	99.0%	215 900	215 774
Public corporations and private enterprises	220 669	-	-	220 669	218 459	2 210	99.0%	215 900	215 774
Payments for capital assets	-	-	-	-	53	(53)	-	-	-
Machinery and equipment	-	-	-	-	53	(53)	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	290 331	-	(7 127)	283 204	280 278	2 926	99.0%	227 546	225 831

3.3 PUBLIC TRANSPORT SERVICES									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	16 244	(60)	7 470	23 654	27 473	(3 819)	116.1%	19 171	22 487
Goods and services	12 794	-	8 170	20 964	24 397	(3 433)	116.4%	17 274	19 824
Interest and rent on land	3 450	(60)	(700)	2 690	3 075	(385)	114.3%	1 897	2 664
	-	-	-	-	-	-	-	-	-
Transfers and subsidies									
Households	-	-	-	-	-	-	-	40	436
	-	-	-	-	-	-	-	40	436
Payments for capital assets									
Machinery and equipment	105	60	-	165	93	72	56.5%	-	-
	105	60	-	165	93	72	56.5%	-	-
Payments for financial assets									
	-	-	-	-	-	-	-	-	-
TOTAL	16 349	-	7 470	23 819	27 566	(3 747)	115.7%	19 211	22 923

3.4 INFRASTRUCTURE OPERATION									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2 051	-	(10)	2 041	1 875	166	91.9%	2 670	390
Compensation of employees	1 768	-	-	1 768	1 716	52	97.0%	2 335	196
Goods and services	283	-	(10)	273	160	113	58.6%	335	194
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	20	-
Machinery and equipment	-	-	-	-	-	-	-	20	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	2 051	-	(10)	2 041	1 875	166	91.9%	2,690	390

3.5 TRANSPORT SYSTEMS									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5 350	-	-	5 350	5 350	-	100.0%	4 916	3 013
Goods and services	5 350	-	-	5 350	5 350	-	100.0%	4 916	3 013
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	5 350	-	-	5 350	5 344	6	99.9%	4 916	3 013

Programme 4: TRANSPORT REGULATIONS									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
1. PROGRAMME SUPPORT REGULATION	14 732	1 690	3 068	19 490	20 316	(826)	104.2%	20 690	21 617
2.LAW ENFORCEMENT	190 475	(1 450)	5 596	194 621	206 436	(11 815)	106.1%	215 749	208 625
3. TRANSPORT ADMIN AND LICENSING	106 066	(210)	95	105 951	105 150	801	99.2%	97 584	100 746
4.OPERATOR LICENSE AND PERMITS	17 970	(30)	-	17 940	18 858	(918)	105.1%	18 616	17 238
Total for subprogrammes	329 243	-	8 759	338 002	350 759	(12 757)	103.8%	352 639	348 225
Economic classification									
Current payments	323 437	(382)	7 478	330 533	343 420	(12 887)	103.9%	329 921	313 420
Compensation of employees	256 191	-	2 095	258 286	258 278	8	100.0%	240 993	241 946
Salaries and wages	213 105	-	2 095	215 200	215 823	(623)	100.3%	189 488	205 389
Social contributions	43 086	-	-	43 086	42 455	631	98.5%	51 505	36 557
Goods and services	67 246	(382)	5 383	72 247	85 142	(12 895)	117.8%	88 928	71 474
Administrative fees	-	-	-	-	-	-	-	199	114
Advertising	785	10	-	795	1 457	(662)	183.3%	1 902	1 458
Minor assets	999	(149)	-	850	485	365	57.0%	1 065	110
Catering: Departmental activities	10 960	(1 476)	-	9 484	9 176	308	96.7%	4 215	826
Communication	187	(42)	-	145	143	2	98.3%	244	30
Computer services	5	(5)	-	-	-	-	-	2	-

Programme 4: TRANSPORT REGULATIONS									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consultants: Business and advisory services	1 500	1 690	-	3 190	3 247	(57)	101.8%	10 411	4 993
Legal services	-	-	-	-	-	-	-	20	-
Contractors	279	392	-	671	294	377	43.9%	112	340
Agency and support / outsourced services	12 062	(83)	-	11 979	11 928	51	99.6%	639	562
Entertainment	-	-	-	-	-	-	-	67	2
Fleet services (Including government motor transport)c	15 814	-	-	15 814	19 233	(3 419)	121.6%	35 594	29 694
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	14
Consumable supplies	369	(196)	-	173	34	139	19.8%	3 647	419
Consumable: Stationery, printing and office supplies	6 492	(479)	-	6 013	4 480	1 533	74.5%	7 912	4 088
Operating leases	8 606	-	5 383	13 989	25 294	(11 305)	180.8%	12 574	20 747
Transport provided: Departmental activity	-	-	-	-	-	-	-	59	-
Travel and subsistence	8 318	29	-	8 347	8 634	(287)	103.4%	9 858	7 618
Training and development	280	(49)	-	231	156	75	67.4%	54	35
Operating payments	590	(24)	-	566	580	(14)	102.5%	149	418
Venues and facilities	-	-	-	-	-	-	-	205	7
Transfers and subsidies	5 556	-	1 281	6 837	6 844	(7)	100.1%	9 195	10 932
Departmental agencies and accounts	5 000	-	-	5 000	5 000	-	100.0%	8 800	8 800

Programme 4: TRANSPORT REGULATIONS									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	556	-	1 281	1 837	1 844	(7)	100.4%	395	2 132
Payments for capital assets	250	382	-	632	496	136	78.5%	13 523	23 873
Buildings and other fixed structures	-	-	-	-	-	-	-	-	16 933
Machinery and equipment	250	382	-	632	496	136	78.5%	13 523	6 940
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	329 243	-	8 759	338 002	350 759	(12 757)	103.8%	352 639	348 225

4.1 PROGRAMME SUPPORT REGULATIONS									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	14 732	1 690	2 300	18 722	19 526	(804)	104.3%	20 690	21 004
Compensation of employees	12 074	-	1 000	13 074	13 234	(160)	101.2%	10 765	12 044
Goods and services	2 658	1 690	1 300	5 648	6 292	(644)	111.4%	9 925	8 959
Transfers and subsidies	-	-	768	768	790	(22)	102.9%	-	613
Households	-	-	768	768	790	(22)	102.9%	-	613
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	14 732	1 690	3 068	19 490	20 316	(826)	104.2%	20 690	21 617

4.2 LAW ENFORCEMENT									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	190 038	(1 450)	5 083	193 671	205 570	(11 899)	106.1%	202 073	194 665
Compensation of employees	149 668	-	1 000	150 668	149 811	857	99.4%	146 880	142 255
Goods and services	40 370	(1 450)	4 083	43 003	55 759	(12 756)	129.7%	55 193	52 410
Transfers and subsidies	382	-	513	895	864	31	96.6%	153	1 317
Households	382	-	513	895	864	31	96.6%	153	1 317
Payments for capital assets	55	-	-	55	-	55	-	13 523	12 643
Buildings and other fixed structures									5 703
Machinery and equipment	55	-	-	55	-	55	-	13 523	6 940
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	190 475	(1 450)	5 596	194 621	206 435	(11 814)	106.1%	215 749	208 625

4.3 TRANSPORT ADMIN AND LICENSING									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	105 715	(592)	95	105 218	104 482	736	99.3%	93,542	85,541
Compensation of employees	84 702	-	95	84 797	85 281	(484)	100.6%	73,869	78,412
Goods and services	21 013	(592)	-	20 421	19 201	1 220	94.0%	19,673	7,129
Transfers and subsidies	174	-	-	174	189	(15)	108.7%	4 042	3 975
Departmental agencies and accounts	-	-	-	-	-	-	-	3,800	3,800
Households	174	-	-	174	189	(15)	108.7%	242	175
Payments for capital assets	177	382	-	559	478	81	85.6%	-	11,230
Buildings and other fixed structures	-	-	-	-	-	-	-	-	11,230
Machinery and equipment	177	382	-	559	478	81	85.6%	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	106 066	(210)	95	105 951	105 150	801	99.2%	97 584	100 746

4.4 OPERATOR LICENSE AND PERMITS									
2015/16							2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	12 952	(30)	-	12 922	13 840	(918)	107.1%	13 616	12 211
Compensation of employees	9 747	-	-	9 747	9 952	(205)	102.1%	9 479	9 235
Goods and services	3 205	(30)	-	3 175	3 888	(713)	122.5%	4 137	2 976
Transfers and subsidies	5 000	-	-	5 000	5 000	-	100.0%	5 000	5 000
Departmental agencies and accounts	5 000	-	-	5 000	5 000	-	100.0%	-	-
Households	-	-	-	-	-	-	-	-	27
Payments for capital assets	18	-	-	18	18	0	98.2%	-	-
Buildings and other fixed structures									
Machinery and equipment	18	-	-	18	18	0	98.2%	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	17 970	(30)	-	17 940	18 858	(918)	105.1%	18 616	17 238

Programme 5: TRANSPORT INFRASTRUCTURE									
2015/16							2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subprogramme									
1. PROGRAMME SUPPORT INFRASTRUCTURE	11 029	(725)	-	10 304	10 375	(71)	100.7%	4 712	4 852
2. INFRASTRUCTURE PLANNING	14 421	(704)	-	13 717	10 837	2 880	79.0%	40 370	30 678
3. INFRASTRUCTURE DESIGN	2 305	-	-	2 305	2 319	(14)	100.6%	2 941	1 336
4. CONSTRUCTION	1 049	-	-	1 049	582	467	55.4%	4 181	1 526
5. MAINTENANCE	1 484 268	1 429	-	1 485 697	1 488 851	(3 154)	100.2%	1 529 478	1 523 970
Total for subprogrammes	1 513 072	-	-	1 513 072	1 512 963	109	100.0%	1 581 682	1 562 362
Economic classification									
Current payments	833 240	(15 383)	-	817 857	822 771	(4 914)	100.6%	1 206 025	816 992
Compensation of employees	143 868	-	-	143 868	143 909	(41)	100.0%	133 848	131 534
Salaries and wages	120 277	-	-	120 277	121 513	(1 236)	101.0%	103 827	111 784
Social contributions	23 591	-	-	23 591	22 396	1 195	94.9%	30 021	19 750
Goods and services	689 372	(15 383)	-	673 989	678 858	(4 869)	100.7%	1 072 177	684 388
Administrative fees	23	-	-	23	13	10	57.4%	52	-
Advertising	115	-	-	115	1 123	(1 008)	976.4%	200	247
Minor assets	1 107	(300)	-	807	268	539	33.2%	1 648	165
Audit costs: External	-	-	-	-	-	-	-	565	537
Catering: Departmental activities	1 000	(625)	-	375	283	92	75.4%	385	137
Communication	1 397	23	-	1 420	1 328	92	93.5%	2 279	2 159
Computer services	1 482	-	-	1 482	1 184	298	79.9%	90	82

Programme 5: TRANSPORT INFRASTRUCTURE									
2015/16							2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consultants: Business and advisory services	379	(305)	-	74	671	(597)	906.6%	8 289	5 550
Infrastructure and planning services	6	-	-	6	6	0	95.0%	836	6
Legal services	2 444	60	-	2 504	2 500	4	99.9%	3 443	3 416
Contractors	543 742	(15 383)	-	528 359	525 434	2 925	99.4%	948 590	566 424
Agency and support / outsourced services	-	-	-	-	-	-	-	3	-
Entertainment	-	-	-	-	-	-	-	23	7
Fleet services (Including government motor transport)	3 080	-	-	3 080	2 916	164	94.7%	14 623	16 340
Inventory: Clothing material and supplies	2 457	(1 254)	-	1 203	-	1 203	-	1 212	-
Inventory: Fuel, oil and gas	793	(392)	-	401	-	401	-	102	31
Inventory: Materials and supplies	14 722	(10 453)	-	4 269	-	4 269	-	9 391	-
Inventory: Other supplies	26	-	-	26	26	0	98.7%	5	3
Consumable supplies	29 814	(2 794)	-	27 020	33 635	(6 615)	124.5%	9 621	20 391
Consumable: Stationery, printing and office supplies	1 498	-	-	1 498	642	856	42.8%	2 503	843
Operating leases	74 804	13 012	-	87 816	97 101	(9 285)	110.6%	59 595	62 016
Property payments	15	-	-	15	4	11	25.7%	312	3
Transport provided: Departmental activity	100	-	-	100	-	100	-	125	69
Travel and subsistence	8 049	(472)	-	7 577	7 121	456	94.0%	7 156	5 475
Training and development	1 054	3 600	-	4 654	3 875	779	83.3%	586	0
Operating payments	1 105	-	-	1 105	730	375	66.0%	449	488
Venues and facilities	60	-	-	60	-	60	-	94	-

Programme 5: TRANSPORT INFRASTRUCTURE									
2015/16							2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Rental and hiring	100	(100)	-	-	-	-	-	-	-
Interest and rent on land									1 070
Interest									1 070
Transfers and subsidies	4 363	-	-	4 363	4 165	198	95.5%	4 590	4 722
Households	4 363	-	-	4 363	4 165	198	95.5%	4 590	4 722
Social benefits	2 863	-	-	2 863	2 683	180	93.7%	3 380	3 532
Other transfers to households	1 500	-	-	1 500	1 481	19	98.8%	1 210	1 190
Payments for capital assets	675 469	15 383	-	690 852	685 743	5 109	99.3%	371 067	739 939
Buildings and other fixed structures	669 615	15 383	-	684 998	684 388	610	99.9%	367 442	733 741
Buildings	-	-	-	-	-	-	-	14 400	1 984
Other fixed structures	669 615	15 383	-	684 998	684 388	610	99.9%	353 042	731 758
Machinery and equipment	5 354	-	-	5 354	1 298	4 056	24.2%	2 925	6 193
Transport equipment	-	-	-	-	-	-	-	-	5 497
Other machinery and equipment	5 354	-	-	5 354	1 281	4 056	24.2%	2 925	697
Land and subsoil assets	500	-	-	500	57	443	11.5%	700	4
Payments for financial assets	-	-	-	-	290	(290)	-	-	-
TOTAL	1 513 072	-	-	1 513 072	1 512 963	109	100.0%	1 581 682	1 562 362

5.1 PROGRAMME SUPPORT INFRASTRUCTURE									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	8 857	(725)	-	8 132	8 234	(102)	101.3%	4 533	4,852
Compensation of employees	5 975	-	-	5 975	5 766	209	96.5%	3 669	4,368
Goods and services	2 882	(725)	-	2 157	2 468	(311)	114.4%	864	484
Transfers and subsidies	2 103	-	-	2 103	2 140	(37)	101.8%	-	-
Households	2 103	-	-	2 103	2 140	(37)	101.8%	-	-
Payments for capital assets	69	-	-	69	-	69	-	179	-
Machinery and equipment	69	-	-	-	-	-	-	179	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	11 029	(725)	-	10 304	10 375	(71)	100.7%	4 712	4 852

5.2 INFRASTRUCTURE PLANNING									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	13 251	(704)	-	12 547	10 335	2 212	82.4%	22 228	29 989
Compensation of employees	10 138	-	-	10 138	7 960	2 178	78.5%	13 069	7 891
Goods and services	3 113	(704)	-	2 409	2 375	34	98.6%	9 159	22 098
Transfers and subsidies	-	-	-	-	12	(12)	-	-	-
Households	-	-	-	-	12	(12)	-	-	-
Payments for capital assets	1 170	-	-	1 170	489	681	41.8%	18 142	674
Buildings and other fixed structures	-	-	-	-	-	-	-	16 400	-
Machinery and equipment	670	-	-	670	438	232	65.4%	1 042	670
Land and subsoil assets	500	-	-	500	51	449	10.3%	700	4
Payments for financial assets	-	-	-	-	-	-	-	-	15
TOTAL	14 421	(704)	-	13 717	10 837	2 880	79.0%	40 370	30 678

5.3 INFRASTRUCTURE DESIGN									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2 305	-	-	2 305	2 279	26	98.9%	2 941	1 336
Compensation of employees	1 867	-	-	1 867	2 041	(174)	109.3%	2 138	1 217
Goods and services	438	-	-	438	238	200	54.3%	803	119
Transfers and subsidies	-	-	-	-	40	(40)	-	-	-
Households	-	-	-	-	40	(40)	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	2 305	-	-	2 305	2 319	(14)	100.6%	2 941	1 336

5.4 CONSTRUCTION									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 049	-	-	1 049	582	467	55.4%	4 181	1 526
Compensation of employees	73	-	-	73	-	73	-	2 612	753
Goods and services	976	-	-	976	582	394	59.6%	1 569	773
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	1 049			1 049	582	467	55.4%	4 181	1 526

5.5 MAINTENANCE									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	807 778	(13 954)	-	793 824	801 337	(7 513)	100.9%	1 172 142	779 290
Compensation of employees	125 815	-	-	125 815	128 142	(2 327)	101.8%	112 360	117 305
Goods and services	681 963	(13 954)	-	668 009	673 196	(5 187)	100.8%	1 059 782	660 914
Interest and rent on land	-	-	-	-	-	-	-	-	1 070
Transfers and subsidies	2 260	-	-	2 260	1 972	288	87.3%	4 590	4 722
Households	2 260	-	-	2 260	1 972	288	87.3%	4 590	4 722
Payments for capital assets	674 230	15 383	-	689 613	685 254	4 359	99.4%	352 746	739 265
Buildings and other fixed structures	669 615	15 383	-	684 998	684 388	610	99.9%	351 042	733 741
Machinery and equipment	4 615	-	-	4 615	860	3 755	18.6%	1 704	5 523
Payments for financial assets	-	-	-	-	290	(290)	-	-	694
TOTAL	1 484 268	1 429	-	1 485 697	1 488 853	(3 156)	100.2%	1 529 478	1 523 970

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

Detail of these transactions can be viewed in the note on Transfers and subsidies and Annexure 1 (A-G) 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 to 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	217 348	217 512	(164)	0%
	Provincial Secretariat for Police Services	23 276	22 669	607	3%
	Transport Operations	316 305	316 310	(5)	0%
	Transport Regulations	338 002	350 758	(12 756)	-4%
	Transport Infrastructure	1 513 072	1 512 965	107	0%
		2 408 003	2 420 212	(12 211)	-1%

The department incurred over expenditure of R12 million due to overspending on programme 4 on fleet management account.

4.2	Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
		R'000	R'000	R'000	R'000
	Current payments				
	Compensation of employees	559 327	561 082	(1 755)	0%
	Goods and services	920 093	937 973	(17 880)	-2%
	Interest and rent on land	617	617	-	0%
	Transfers and subsidies				
	Departmental agencies and accounts	5 000	5 000	-	0%
	Public corporations and private ent.	220 669	218 459	2 210	1%
	Households	7 540	7 292	248	3%
	Payments for capital assets				
	Buildings and other fixed structures	684 998	684 388	610	0.1%
	Machinery and equipment	8 579	4 337	4,242	49.5%
	Land and subsoil assets	500	51	449	89.8%
	Software and other Intangible assets	-	6	(6)	0.0%
	Payments for financial assets	-	1 010	(1 010)	0.0%

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.

4.3	Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
		R'000	R'000	R'000	R'000
	Public Transport Operating Grant	220 669	218 459	2 210	1%
	Provincial Roads Maintenance Grant	1 142 796	1 140 418	2 378	0%
	EPWP Integrated Grant to Province	3 130	3 130	-	0%
		1 366 595	1 392 007	4 588	

	<i>Note</i>	2015/16 R'000	2014/15 R'000
REVENUE			
Annual appropriation	<u>1</u>	2 408 003	2 428 898
Departmental revenue	<u>2</u>	577 109	506 775
Aid assistance	<u>3</u>	-	83 448
TOTAL REVENUE		2 985 112	3 019 121
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>4</u>	561 082	516 951
Goods and services	<u>5</u>	937 935	881 279
Interest and rent on land	<u>6</u>	617	1 121
Aid assistance	<u>3</u>	-	76 753
Total current expenditure		1 499 634	1 476 104
Transfers and subsidies			
Transfers and subsidies	<u>8</u>	230 751	232 273
Total transfers and subsidies		230 751	232 273
Expenditure for capital assets			
Tangible assets	<u>9</u>	688 819	776 069
Total expenditure for capital assets		688 819	776 069
Payments for financial assets	<u>7</u>	1 010	708
TOTAL EXPENDITURE		2 420 214	2 485 154
SURPLUS/(DEFICIT) FOR THE YEAR		564 898	533 967
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		(12 211)	26 976
Annual appropriation	<u>1</u>	(12 305)	5 883
Conditional grants	<u>37</u>	94	21 093
Departmental revenue and NRF Receipts	<u>2</u>	577 109	506 775
Aid assistance	<u>3</u>	-	216
SURPLUS/(DEFICIT) FOR THE YEAR		564 898	533 967

	<i>Note</i>	2015/16 R'000	2014/15 R'000
ASSETS			
Current assets		51 721	42 750
Unauthorised expenditure	<u>10</u>	41 063	28 167
Cash and cash equivalents	<u>11</u>	4 986	47
Receivables	<u>12</u>	5 672	14 536
Non-current assets		354	435
Receivables	<u>12</u>	354	435
TOTAL ASSETS		52 075	43 185
LIABILITIES			
Current liabilities		50 250	40 618
Voted funds to be surrendered to the Revenue Fund	<u>13</u>	710	27 001
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>14</u>	46 178	6 340
Bank overdraft	<u>15</u>	-	3 569
Payables	<u>16</u>	3 146	3 492
Aid assistance unutilised	<u>3</u>	216	216
TOTAL LIABILITIES		50 250	40 618
NET ASSETS		1 825	2 567
Represented by:			
Recoverable revenue		1 825	2 567
TOTAL		1 825	2 567

	<i>Note</i>	2015/16 R'000	2014/15 R'000
NET ASSETS			
Recoverable revenue			
Opening balance		2 567	5 666
Transfers:		(742)	(3 099)
Debts revised		(224)	11
Debts recovered (included in departmental receipts)	2	(1 931)	(6 247)
Debts raised		1 413	3 137
Closing balance		1 825	2 567
TOTAL		1 825	2 567

	<i>Note</i>	2015/16 R'000	2014/15 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		3 032 647	3 088 925
Annual appropriated funds received	<u>1</u>	2 408 003	2 428 898
Departmental revenue received	<u>2</u>	624 289	576 288
Interest received		355	291
Aid assistance received	<u>3</u>	-	83 448
Net (increase)/decrease in working capital		(4 297)	18 030
Surrendered to Revenue Fund		(611 807)	(924 407)
Current payments		(1 486 114)	(1 474 958)
Interest paid	<u>6</u>	(617)	(1 121)
Payments for financial assets	<u>7</u>	(1 010)	(708)
Transfers and subsidies paid		(230 751)	(232 273)
Net cash flow available from operating activities	<u>23</u>	698 051	473 488
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>10</u>	(688 801)	(776 069)
Net cash flows from investing activities		(688 801)	(776 069)
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
Distribution/dividend received		(742)	(3 099)
Net cash flows from financing activities		(742)	(3 099)
Net increase/(decrease) in cash and cash equivalents		8 508	(305 680)
Cash and cash equivalents at beginning of period		(3 522)	302 158
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	<u>11</u>	4 986	(3 522)

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. Management has concluded that the financial statements present fairly the department's primary and secondary information.

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.

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	Comparative information
6.1	Prior period comparative information 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.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue
7.1	Appropriated funds Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the 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.

7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</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"> it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and the amount of revenue can be measured reliably. <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>
8	<p>Expenditure</p>
8.1	<p>Compensation of employees</p>
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</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>
8.2	<p>Other expenditure</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 standards.</p>
8.3	<p>Accrued expenditure payable</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 or in the case of transfers and subsidies when they are due and payable and the payment had not taken place as at year end.</p> <p>Accrued expenditure payable is measured at cost.</p>
8.4	<p>Leases</p>
8.4.1	<p>Operating leases</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>

8.4.2	<p>Finance leases</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"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	<p>Aid Assistance</p>
9.1	<p>Aid assistance received</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>
9.2	<p>Aid assistance paid</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>
10	<p>Cash and cash equivalents</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 as a current liability.</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>
11	<p>Prepayments and advances</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>
12	<p>Loans and receivables</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. Write-offs are made according to the department's write-off policy.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	<p>Financial assets</p>

14.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
14.2	<p>Impairment of financial assets</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>
15	<p>Payables</p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>
16	<p>Capital Assets</p>
16.1	<p>Immovable capital assets</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 reliably, 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 2002 (or a later date as approved by the OAG) may be recorded at R1.</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>
16.2	<p>Movable capital assets</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 reliably, 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 2002 (or a later date as approved by the OAG) 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>

16.3	<p>Intangible assets</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 reliably, 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 2002 (or a later date as approved by the OAG) 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>
17	<p>Provisions and Contingents</p>
17.1	<p>Provisions</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>
17.2	<p>Contingent liabilities</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>
17.3	<p>Contingent assets</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>
17.4	<p>Commitments</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>
18	<p>Unauthorised expenditure</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"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>

19	<p>Fruitless and wasteful expenditure</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>
20	<p>Irregular expenditure</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>
21	<p>Changes in accounting policies, accounting estimates and errors</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>
22	<p>Events after the reporting date</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>
23	<p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement for South African Post Office (SAPO) and AARTO. In terms of the arrangement the department is the principal for SAPO and is responsible for the collection of license fees on behalf of the department</p> <p>The department is principal to AARTO and is responsible for the collection of traffic fines that were issued outside the Free State borders. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>

24	<p>Departures from the MCS requirements</p> <p>Management has concluded that the financial statements present fairly the department's primary and secondary information and that the department complied with the Standard.</p>
25	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
26	<p>Recoverable revenue</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 either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
27	<p>Related party transactions</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 within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
28	<p>Inventories (<i>Effective from 1 April 2017</i>)</p> <p>At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements</p> <p>Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value.</p>
29	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>

1. Annual Appropriation

1.1 Annual Appropriation

Programmes	2014/15			
	Final Appropriation	Actual Funds Received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000
ADMINISTRATION	217 348	217 348	213 915	213 915
PROVINCIAL SECRETARIAT FOR POLICE SERVICES	23 276	23 276	24 515	24 515
TRANSPORT OPERATIONS	316 305	316 305	256 147	256 147
TRANSPORT REGULATIONS	338 002	338 002	352 639	352 639
TRANSPORT INFRASTRUCTURE	1 513 072	1 513 072	1 581 682	1 581 682
Total	2 408 003	2 408 003	2 428 898	2 428 898

All funds requested were received by the department.

1.2 Conditional grants

	Note	2015/16	2014/15
		R'000	R'000
Total grants received	<u>37</u>	<u>1 366 595</u>	<u>1 481 873</u>
Provincial grants included in Total Grants received		<u>-</u>	<u>-</u>

The comparatives have been restated as the amounts in the prior year did not reflect the amounts as per the final appropriation due to the prior year Programme 2 and 3 merging into the current Programme 2.

The comparative of Total conditional grants and Provincial grants included in the total grant received has been restated to exclude earmarked funding.

2. Departmental revenue

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Tax revenue		543 255	489 171
Sales of goods and services other than capital assets	<u>2.1</u>	78 567	69 675
Fines, penalties and forfeits	<u>2.2</u>	9 131	14 544
Interest, dividends and rent on land	<u>2.3</u>	355	291
Transactions in financial assets and liabilities	<u>2.4</u>	(6 664)	2 898
Transfer received		-	-
Total revenue collected		624 644	576 579
Less: Own revenue included in appropriation	<u>14</u>	(47 535)	(69 804)
Departmental revenue collected		577 109	506 775

2.1 Sales of goods and services other than capital assets

	<i>Note</i>	2015/16	2014/15
	<u>2</u>	R'000	R'000
Sales of goods and services produced by the department		78 567	69 675
Sales by market establishment		4	2
Administrative fees		66 531	68 441
Other sales		12 032	1 232
Sales of scrap, waste and other used current goods		-	-
Total		78 567	69 675

2.2 Fines, penalties and forfeits

	<i>Note</i>	2015/16	2014/15
	<u>2</u>	R'000	R'000
Fines		9 131	14 544
Total		9 131	14 544

2.3 Interest, dividends and rent on land

	<i>Note</i>	2015/16	2014/15
	<u>2</u>	R'000	R'000
Interest		355	291
Total		355	291

2.4 Transactions in financial assets and liabilities

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Receivables	<u>2</u>	384	312
State cheques written back			1
Other Receipts including Recoverable Revenue		(7 048)	2 585
Total		(6 664)	2 898

3. Aid assistance

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Opening Balance		216	-
Prior period error		-	-
As restated		216	-
Transferred from statement of financial performance		-	216
Closing Balance		216	216

3.1 Analysis of balance by source

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Aid assistance from other sources	<u>3</u>	216	216
Closing balance		216	216

3.2 Analysis of balance

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Aid assistance unutilised	<u>3</u>	216	216
		-	-
Closing balance		216	216

4. Compensation of employees

4.1 Salaries and Wages

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Basic salary		378 398	351 809
Performance award		6 573	6 541
Service Based		1 226	1 876
Compensative/circumstantial		20 196	20 478
Periodic payments		95	29
Other non-pensionable allowances		68 655	61 321
Total		475 143	442054

4.2 Social contributions

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Employer contributions			
Pension		47 772	45 078
Medical		37 993	29 499
Bargaining council		174	320
Total		85 939	74 897

Total compensation of employees		561 082	516 951
Average number of employees		2 033	2 206

5. Goods and services

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Administrative fees		10 389	9 935
Advertising		5 294	3 053
Minor assets	<u>5.1</u>	1 278	503
Bursaries (employees)		134	160
Catering		11 260	5 456
Communication		13 109	12 530
Computer services	<u>5.2</u>	10 865	8 902
Consultants: Business and advisory services		20 085	24 987
Infrastructure and planning services		6	6
Legal services		10 045	5 405
Contractors		526 339	568 698
Agency and support / outsourced services		41 899	45 029
Entertainment		2	9
Audit cost – external	<u>5.3</u>	6 895	8 881
Fleet services		25 033	49 627
Consumables	<u>5.4</u>	42 271	29 238
Operating leases		126 605	85 488
Property payments	<u>5.5</u>	4	11
Rental and hiring		15	139
Transport provided as part of the departmental activities		51 922	1 577
Travel and subsistence	<u>5.6</u>	22 644	18 932
Venues and facilities		201	220
Training and development		9 672	1 032
Other operating expenditure	<u>5.7</u>	1 968	1 461
Total		937 935	881 279

5.1 Minor assets

	<i>Note</i>	2015/16	2014/15
	<u>5</u>	R'000	R'000
Tangible assets		1 278	503
Machinery and equipment		1 278	503
Total		1 278	503

5.2 Computer services

	<i>Note</i>	2015/16	2014/15
	<u>5</u>	R'000	R'000
SITA computer services		10 778	8 820
External computer service providers		87	82
Total		10 865	8 902

5.3 Audit cost – External

	<i>Note</i>	2015/16	2014/15
	<u>5</u>	R'000	R'000
Regularity audits		6 895	8 881
Total		6 895	8 881

5.4 Consumables

	<i>Note</i>	2015/16	2014/15
	<u>5</u>	R'000	R'000
Consumable supplies		34 477	22 204
Uniform and clothing		893	3 135
Household supplies		426	615
Building material and supplies		32 221	18 120
IT consumables		19	11
Other consumables		918	323
Stationery, printing and office supplies		7 794	7 034
Total		42 271	29 238

5.5 Property payments

	<i>Note</i>	2015/16	2014/15
	<u>5</u>	R'000	R'000
Property maintenance and repairs		-	8
Other		4	3
Total		4	11

5.6 Travel and subsistence

	<i>Note</i>	2015/16	2014/15
	<u>5</u>	R'000	R'000
Local		21 920	18 911
Foreign		724	21
Total		22 644	18 932

5.7 Other operating expenditure

	<i>Note</i>	2015/16	2014/15
	<u>5</u>	R'000	R'000
Professional bodies, membership and subscription fees		13	12
Resettlement costs		235	56
Other		1 720	1 393
Total		1 968	1 461

6. Interest and rent on land

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Interest paid		617	1 121
Total		617	1 121

7. Payments for financial assets

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Other material losses written off	<u>7.1</u>	784	514
Debts written off	<u>7.2</u>	226	194
Total		1 010	708

7.1 Other material losses written off

	<i>Note</i>	2015/16	2014/15
	<u>7</u>	R'000	R'000
Nature of losses			
Theft and Losses		784	514
Total		784	514

7.2 Debts written off

	<i>Note</i>	2015/16	2014/15
	<i>Z</i>	R'000	R'000
Nature of debts written off			
Thefts and Losses written off		226	194
Total		226	194
Total debt written off		226	194

8. Transfers and subsidies

		2015/16	2014/15
		R'000	R'000
	<i>Note</i>		
Departmental agencies and accounts	<i>Annex 1A</i>	5 000	8 972
Public corporations and private enterprises	<i>Annex 1B</i>	218 459	215 773
Households	<i>Annex 1C</i>	7 292	7 528
Total		230 751	232 273
Unspent funds transferred to the above beneficiaries		3 800	3 800

An amount of R3 800 000 was transferred to fleet management services for the procurement of a fortified vehicle in 2014/15. Due to the nature of this transaction, as at 2015/16 year end this has not taken place as yet.

9. Expenditure for capital assets

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Tangible assets		688 819	776 069
Buildings and other fixed structures	<u>33</u>	684 388	750 671
Machinery and equipment	<u>33</u>	4 385	25 394
Land and subsoil assets	<u>33</u>	46	4
Total		688 819	776 069

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	688 819	-	688 819
Buildings and other fixed structures	684 388	-	684 388
Machinery and equipment	4 385	-	4 385
Land and subsoil assets	46	-	46
Total	688 819	-	688 819

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	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
Total	769 590	6 479	776 069

9.3 Finance lease expenditure included in Expenditure for capital assets

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Tangible assets			
Machinery and equipment	<u>31.1</u>	2 426	3 550
Total		2 426	3 550

10. Unauthorised expenditure

10.1 Reconciliation of unauthorised expenditure

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Opening balance		28 167	41 891
Prior period error		-	-
As restated		28 167	41 891
Unauthorised expenditure – discovered in current year (as restated)		12 921	25
Less: Amounts approved by Parliament/ Legislature with funding		(25)	(13 749)
Less: Amounts transferred to receivables for recovery			
Closing balance		41 063	28 167
Analysis of awaiting authorisation per economic classification			
Current		41 063	28 167
Total		41 063	28 167

10.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2015/16	2014/15
	R'000	R'000
Current	41 063	28 167
Total	41 063	28 167

10.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2015/16	2014/15
	R'000	R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	41 063	28 167
Total	41 063	28 167

10.4 Details of unauthorised expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2015/16
		R'000
Programme 1 - Administration:	None	164
Programme 4 - Transport regulations: Overspending on Fleet Management Account	None	12 757
Total		12 921

11. Cash and cash equivalents

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Consolidated Paymaster General Account		4 932	-
Cash receipts		(49)	-
Disbursements		55	-
Cash on hand		48	47
Total		4 986	47

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

		2015/16			2014/15		
		Current	Non-current	Total	Current	Non-current	Total
	<i>Note</i>	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	<u>12.1</u>	1 822	-	1 822	3 930	-	3 930
Trade receivables		-	-	-	-	-	-
Recoverable expenditure	<u>12.2</u>	234	-	234	240	-	240
Staff debt	<u>12.3</u>	2 768	354	3 122	3 450	435	3 885
Fruitless and wasteful expenditure		-	-	-	-	-	-
Other debtors	<u>12.4</u>	848	-	848	6 916	-	6 916
Total		5 672	354	6 026	14 536		14 971

12.1 Claims recoverable

	<i>Note</i>	2015/16	2014/15
	<u>12</u>	R'000	R'000
National departments		1 047	997
Provincial departments		12	723
Public entities		763	2,210
Total		1 822	3 930

12.2 Recoverable expenditure (disallowance accounts)

	<i>Note</i>	2015/16	2014/15
	<u>12</u>	R'000	R'000
Medical Aid		2	10
Disallowance damages and losses		230	230
Pension		2	-
Total		234	240

12.3 Staff debt

	<i>Note</i>	2015/16	2014/15
	<u>12</u>	R'000	R'000
Salary overpayment		10	48
Employee and ex-employees		2 945	3 490
Shortages		9	7
Communication		-	12
Subsistence and travel		60	33
Telephone		1	7
Income tax		1	10
Breach of contract		91	278
Government Garage debt		5	-
Total		3 122	3 885

12.4 Other debtors

	<i>Note</i>	2015/16	2014/15
	<u>12</u>	R'000	R'000
Losses and damages non-employees		426	-
Dishonoured cheques		317	448
E-Natis Debt		-	6 360
Suppliers		105	108
Total		848	6 916

Included in other debtors is E-Natis Debt, which was written off in 2015/2016. The comparative amount for other debtors and impairment of receivables was not adjusted with the written off amount.

12.5 Impairment of receivables

	<i>Note</i>	2015/16	2014/15
	<u>12</u>	R'000	R'000
Estimate of impairment of receivables		1 972	1 585
Total		1 972	1 585

Impairment for receivables is an estimate of all outstanding debts.

13. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Opening balance		27 001	320 739
Prior period error		-	-
As restated		27 001	320 739
Transfer from statement of financial performance (as restated)		(12 211)	26 976
Add: Unauthorised expenditure for current year	<u>10</u>	12 921	25
Paid during the year		(27 001)	(320 739)
Closing balance		710	27 001

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

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Opening balance		6 340	33 429
Prior period error		-	-
As restated		6 340	33 429
Transfer from Statement of Financial Performance (as restated)		577 109	506 775
Own revenue included in appropriation	<u>2</u>	47 535	69 804
Paid during the year		(584 806)	(603 668)
Closing balance		46 178	6 340

15. Bank Overdraft

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Consolidated Paymaster General Account		-	3 569
Total		-	3 569

16. Payables – current

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Advances received	<u>16.1</u>	1	122
Other payables	<u>16.2</u>	3 145	3 370
Total		3 146	3 492

16.1 Advances received

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Provincial departments	<u>16</u>	1	122
Total	<u>Annex 7</u>	1	122

16.2 Other payables

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
E Natis Debt	<u>16</u>	3 145	3 370
Total		3 145	3 370

17. Net cash flow available from operating activities

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		564 898	533 967
Add back non cash/cash movements not deemed operating activities		133 171	(60 479)
(Increase)/decrease in receivables – current		8 945	7 364
(Increase)/decrease in other current assets		25	13 749
Increase/(decrease) in payables – current		(346)	(3 058)
Expenditure on capital assets		688 819	776 069
Surrenders to Revenue Fund		(611 807)	(924 407)
Own revenue included in appropriation		47 535	69 804
Net cash flow generated by operating activities		698 069	473 488

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

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Consolidated Paymaster General account		4 932	(3 569)
Cash receipts		(49)	-
Disbursements		55	-
Cash on hand		48	47
Total		4 986	(3 522)

19. Contingent liabilities and contingent assets

19.1 Contingent liabilities

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Liable to	Nature		
Claims against the department	<i>Annex 2</i>	220 433	209 365
Environmental rehabilitation liability	<i>Annex 2</i>	4 461 079	4 461 079
Total		4 681 512	4 670 444

The comparative (opening balance) has been restated to better reflect road accident claims as well as direct claims against the Department at the end of the previous financial year.

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 opening balance of the claims against the Department has been restated with cases not previously included. Refer to the error note.

The environmental rehabilitation liability relates to the rehabilitation of the quarries that were transferred from the Department of Public Works and Infrastructure during the 2014/ 2015 financial year.

19.2 Contingent assets

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Nature of contingent asset			
Dombo Du Plessis		35 038	35 038
Potential recovery of lost face-value documents		165	-
Total		35 203	35 038

All contingent assets have been disclosed.

20. Commitments

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Current expenditure			
Approved and contracted		42 326	43 355
Approved but not yet contracted		2 930	-
		45 256	43 355
Capital expenditure			
Approved and contracted		47 154	403 857
Approved but not yet contracted		6 808	-
		53 962	403 857
Total Commitments		99 218	447 212

Commitments for projects longer than a year is R52 954 731. This represents 12 projects

21. Accruals and payables not recognised

21.1 Accruals

		2015/16 R'000	2014/15 R'000
Listed by economic classification			
	30 Days	30+ Days	Total
Goods and services	4	23 483	1 797
Interest and rent on land		-	-
Transfers and subsidies		13	177
Capital assets		42 113	688
Other		-	4
Total		65 609	2 666

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Listed by programme level			
Administration		5 720	13 169
Provincial Secretariat and Police Service		-	230
Transport Operation		7 798	16 042
Transport Regulation		3 891	3 398
Transport Infrastructure		50 866	80 976
Total		68 275	113 815

21.2 Payables not recognised

			2015/16 R'000	2014/15 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	3 746	1 532	5 278	-
Interest and rent on land	-	-	-	-
Transfers and subsidies	19 537	117	19 654	-
Capital assets	8 382	-	8 382	-
Total	31 665	1 649	33 314	-

	Note	2015/16 R'000	2014/15 R'000
Listed by programme level			
Administration		1 799	-
Provincial Secretariat and Police Service		-	-
Transport Operation		19 630	-
Transport Regulation		2 963	-
Transport Infrastructure		8 922	-
Total		33 314	-

Included in the above totals are the following:

Confirmed balances with other departments	<u>Annex 4</u>	1 060	409
Confirmed balances with other government entities	<u>Annex 4</u>	-	133
Total		1 060	542

22. Employee benefits

	Note	2015/16 R'000	2014/15 R'000
Leave entitlement		26 364	26 156
Service bonus (Thirteenth cheque)		16 326	15 194
Performance awards		2 883	7 218
Capped leave commitments		39 436	39 436
Other		1 638	1 116
Total		86 647	89 120

At this stage the department is not able to reliably measure the long term portion of the long service awards.

23. Lease commitments

23.1 Operating leases expenditure

2015/16	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	31 308	31 308
Later than 1 year and not later than 5 years	-	-	33 290	33 290
Total lease commitments	-	-	64 598	64 598

2014/15	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
Total lease commitments	-	-	40 580	40 580

The Department has entered into a service level agreement (lease agreement) with the Free State Government Motor Transport for the provision of vehicles. The leases are treated as operating leases.

There are currently no sale and lease back arrangements. There are no sub-leased assets by the Department.

23.2 Finance leases expenditure

2015/16	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	3 362	3 362
Later than 1 year and not later than 5 years	-	-	5 049	5 049
Total lease commitments	-	-	8 411	8 411

2014/15	Land	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
Total lease commitments	-	-	4 432	4 432

The primary lease arrangements consist of fax and photocopier machines as well as voice/data contracts.

The Department rents 155 photocopiers over a lease term of 36 months.

The Department 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 agreement and the fees are standard for the term of the agreement.

There is no material restrictions imposed on the Department for any of the lease agreements.

No sale and leaseback agreements.

24. Accrued departmental revenue

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Tax revenue		1 257	-
Fines, penalties and forfeits		158 675	114 506
Total		159 932	114 506

24.1 Analysis of accrued departmental revenue

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Opening balance		114 506	74 219
Less: amounts received		4 610	6 599
Add: amounts recognised		51 677	48 527
Less: amounts written-off/reversed as irrecoverable		1 641	1 641
Closing balance		159 932	114 506

24.2 Accrued department revenue written off

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Nature of losses			
Write-down of court settlements		1 641	1 641
Total		1 641	1 641

24.3 Impairment of accrued departmental revenue

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Estimate of impairment of accrued departmental revenue		134 195	87 574
Total		134 195	87 574

The impairment amount is estimated as all the fines outstanding for longer than six months.

25. Irregular expenditure

25.1 Reconciliation of irregular expenditure

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Opening balance		33 673	101 046
Prior period error		-	(15 919)
As restated		33 673	85 127
Add: Irregular expenditure – relating to current year		1 222	2 579
Less: Prior year amounts condoned		-	(54 033)
Less: Amounts not condoned and not recoverable		(33 673)	-
Irregular expenditure awaiting condonation		1 222	33 673

Analysis of awaiting condonation per age classification

Current year	1 222	2 579
Prior years	-	31 094
Total	1 222	33 673

25.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/ criminal proceedings	2015/16 R'000
Paid more than what was stipulated in the events management transversal contract.	Subject to investigation	49
Items not listed in the events management and catering transversal contract procured from the supplier appointed in terms of the contracts.	Subject to investigation	1 173
Total		1 222

During the audit irregular expenditure related to events management, catering and cost containment was identified, as indicated above, that could not yet be quantified as the full population, including the prior financial year, was not reviewed and will be investigated by the Department of the Premier during the next financial year to determine the full extent thereof.

25.3 Details of irregular expenditure not recoverable (not condoned)

	Not condoned by (condoning authority)	2015/16
Incident		R'000
Irregular expenditure was investigated and found not to be irregular expenditure		33 673
Total		33 673

25.4 Details of irregular expenditures under investigation (not included in the main note)

	2015/16
Incident	R'000
Expenditure under investigation for 2010/2011	210
Expenditure under investigation for 2011/2012	2 679
Expenditure under investigation for 2012/2013	2 639
Expenditure under investigation for 2013/2014	10 391
Expenditure under investigation for 2014/2015	506
Expenditure under investigation for 2014/2015	306
Total	16 731

25.5 Prior period error

	Note	2014/15
		R'000
Nature of prior period error		
Relating to 2013/14 <i>[affecting the opening balance]</i>		(15 919)
2010/2011 & 2011/2012 Amounts incorrectly recognised as irregular expenditure - still under investigation		(2 889)
2012/2013 Amounts incorrectly recognised as irregular expenditure - still under investigation		(2 639)
2013/2014 Amounts incorrectly recognised as irregular expenditure - still under investigation		(10 391)
Relating to 2014/15		(506)
Amounts incorrectly recognised as irregular expenditure - still under investigation		(506)
Total prior period errors		(16 425)

26. Fruitless and wasteful expenditure

26.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Opening balance		956	956
Prior period error			-
As restated		956	956
Fruitless and wasteful expenditure – relating to current year		821	1,121
Less: Amounts resolved		(1 584)	(1 121)
Closing balance		-	956

26.2 Analysis of awaiting resolution per economic classification

	2015/16	2014/15
	R'000	R'000
Current	821	956
Total	821	956

26.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/ criminal proceedings\	2015/16 R'000
	None	577
	None	11
SARS penalties and Interest	None	40
Telkom – Interest	A process to recover the expenditure already started	131
GEPF – Penalties		
Paid management fees to a supplier while it was not stipulated in the contract	A process to recover the expenditure already started	62
Vat was overcharged by the suppliers		
Total		821

During the audit fruitless and wasteful expenditure in respect of VAT overcharged was identified, as indicated above, that could not yet be quantified as the full population, including the prior financial year, was not reviewed and will be investigated by the Department of the Premier during the next financial year to determine the extent thereof.

The fruitless and wasteful expenditure in respect of management fee overcharged was identified, but the full extent for the prior financial year, was not reviewed and will be investigated by the Department of the Premier during the next financial year to determine the extent thereof.

A process to recover the fruitless and wasteful expenditure already commenced by the Department of the Premier.

26.4 Details of fruitless and wasteful expenditures under investigation (not included in the main note)

		2015/16
Incident		R'000
Hamba Nathi Travel	Late cancellation fees	14
Beetle Breeze	Not registered for VAT	194
Total		208

27. Related party transactions

Payments made	Note	2015/16	2014/15
		R'000	R'000
Transfers		-	3 800
Total		-	3 800

	Note	2015/16	2014/15
		R'000	R'000
Year end balances arising from revenue/payments			
Receivables from related parties		3 800	3 800
Payables to related parties		3 400	3 400
Total		7 200	7 200

	Note	2015/16
		R'000
In kind goods and services provided/received		
Salary for acting CFO for Fleet management is paid by the Department		(227)
Donation received of 25 Vehicles by Fleet Management to the Department		767
Donation made of 6 trailers to Fleet Management from the Department		(690)
Total		(150)

The Department has a related party relationship with Free State Fleet Management as they both fall under the MEC. The related party amount has been restated to remove transactions that were with the normal course of business

28. Key management personnel

	No. of Individuals	2015/16 R'000	2014/15 R'000
Political office bearers (provide detail below)	1	1 902	1 822
Officials:		-	-
Level 15 to 16	1	2 053	1 946
Level 14 (incl. CFO if at a lower level)	7	6 328	6 858
Total		10 283	10 626

29. Public Private Partnership

	Note	2015/16 R'000	2014/15 R'000
Unitary fee paid		1 615	14 240
Fixed component		1 615	14 240

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	2015/16 R'000
None identified to date	
Total	

31. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	41 702	-	5 565	(1 050)	46 217
Transport assets	5 968	-	2 290	(690)	7 568
Computer equipment	11 872	-	124	(343)	11 653
Furniture and office equipment	5 469	-	926	-	6 395
Other machinery and equipment	18 393	-	2 225	(17)	20 601
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	41 702	-	5 565	(1 050)	46 217

31.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	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
MACHINERY AND EQUIPMENT	5 434	2 557	(2 426)	-	5 565
Transport assets	-	2 290	-	-	2 290
Computer equipment	65	59	-	-	124
Furniture and office equipment	718	207	-	-	926
Other machinery and equipment	4 651	-	(2 426)	-	2 225
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	5 434	2 557	(2 426)	-	5 565

31.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	1 050	1 050	-
Transport assets	-	690	690	-
Computer equipment	-	343	343	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	-	17	17	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	1 050	1 050	-

31.3 Movement for 2014/15

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	19 570	288	21 844	-	41 702
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	288	13 522	-	18 393
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	19 570	288	21 844	-	41 702

31.4 Prior period error

Note

2014/15

R'000

Nature of prior period error

Relating to 2013/14 *[affecting the opening balance]*

Prior period error: Firearms not previously disclosed.

Total prior period errors

	288
	288

31.5 MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2016

	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	40	19 292	-	19 332
Value adjustments	-	-	-	-
Additions	-	1 137	-	1 137
Disposals	-	(287)	-	(287)
TOTAL MINOR ASSETS	40	20 142	-	20 182

	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	5 166	-	5 166
Number of minor assets at cost	-	757	-	757
TOTAL NUMBER OF MINOR ASSETS	-	5 913	-	5 913

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

	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000
Opening balance	40	18 789	-	18 829
Prior period error	-	-	-	-
Additions	-	503	-	503
Disposals	-	-	-	-
TOTAL MINOR ASSETS	40	19 292	-	19 332

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

31.6 Movable assets written off 2015/2016

	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000
Assets written off	-	-	-	-
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	-

31.7 Movable assets written off 2014/2015

	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000
Assets written off	-	276	-	276
TOTAL MOVABLE ASSETS WRITTEN OFF	-	276	-	276

32. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	28	-	-	-	28
TOTAL INTANGIBLE CAPITAL ASSETS	28	-	-	-	28

32.1 Movement for 2014/15

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	238	(210)	-	-	28
TOTAL INTANGIBLE CAPITAL ASSETS	238	(210)	-	-	28

32.2 Prior period error

Note

2014/15

R'000

Nature of prior period error

Relating to 2013/14 [affecting the opening balance]

Decrease in 2014/2015 due to 2013/2014 audit findings

Total prior period errors

(210)

(210)

33. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	39 234 648	(31 009)	955 939	-	40 159 578
Other fixed structures	39 234 648	(31 009)	955 939	-	40 159 578
LAND AND SUBSOIL ASSETS	22 363	-	46	(7)	23 406
Mineral and similar non-regenerative resources	22 363	-	46	(7)	23 406
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	39 258 011	(31 009)	955 985	(7)	40 182 994

33.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	684 388	955 939	(684 388)	-	955 939
Non-residential buildings	14 088	-	(14 088)	-	
Other fixed structures	670 300	955 939	(670 300)	-	955 939
LAND AND SUBSOIL ASSETS	46	-	-	-	46
Mineral and similar non-regenerative resources	46	-	-	-	46
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	684 434	955 939	(684 388)	-	955 985

33.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
LAND AND SUBSOIL ASSETS		(7)	(7)	
Mineral and similar non-regenerative resources	-	(7)	(7)	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	-	(7)	(7)	-

33.3 Movement for 2014/15

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	2 161 414	103 015	36 999 510	29 291	39 234 648
Non-residential buildings	9 613	-	19 678	29 291	-
Other fixed structures	2 151 801	103 015	36 979 832	-	39 234 648
LAND AND SUBSOIL ASSETS	-	739	22 624	-	23 363
Mineral and similar non-regenerative resources	-	739	22 624	-	23 363
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	2 161 414	103 754	37 022 134	29 291	39 258 011

33.4 Prior period error

	Note	2014/15 R'000
Nature of prior period error		
Relating to 2013/14 <i>[affecting the opening balance]</i>		103 754
Increase in Land Value as remuneration of quarry land was incorrectly treated as work in progress		739
Increase in other fixed structures - not included in prior years		103 015
Relating to 2014/15		(186 325)
Decrease in additions for the removal of the tertiary roads - only disclosed as a narrative		(186 329)
Increase in land and subsoil additions due to incorrect capitalisation of prior year		4
Total prior period errors		(82 571)

Tertiary roads were removed and only disclosed as a right of use of asset below.

33.5 Immovable assets additional information

		Note	2015/16 Number	2014/15 Number
a) Facilities on right to use land	Duration of use	<i>Annexure 8</i>		
Other	Tertiary roads per km's		17 255 314	17 255 314

Tertiary roads were removed from the asset element of the disclosure and are only disclosed as a right of use asset.

34. Principal-agent arrangements

34.1 Department acting as the principal

	Fee paid	
	2015/16 R'000	2014/15 R'000
South African Post Office (SAPO)	15 443	14 084
Total	15 443	14 084

The South African Post Office collects vehicle licencing fees on behalf of the Department. SAPO retains an administration fee of 11.4%.

34.2 Department acting as the agent

34.2.1 Revenue received for agency activities

	2015/16	2014/15
	R'000	R'000
AARTO	141	57
Total	141	57

The Department collects traffic fines that were issued outside the Free State borders on behalf of AARTO. The Department pays over 97% of the fines collected to AARTO and retains 3%.

34.2.2 Reconciliation of funds and disbursements – 2015/16

Category of revenue or expenditure per arrangement	Total funds received	Expenditure incurred against funds
	R'000	R'000
AARTO	4 713	-
Total	4 713	-

34.2.3 Reconciliation of carrying amount of receivables and payables – 2015/16

Receivables

Name of principal entity	Opening balance	Revenue principal is entitled to	Less: Write-offs/ settlements/ waivers	Cash received on behalf of principal	Closing Balance
	R'000	R'000	R'000	R'000	R'000
AARTO	220	4 572	(4 467)	-	325
Total	220	4 572	(4 467)	-	325

35. Prior period errors

35.1 Correction of prior period errors

Note	2014/15
	R'000
Revenue: (E.g. Annual appropriation, Departmental revenue, Aid assistance, etc.)	
Related party disclosure - Sale of goods and services other than capital assets	(4 614)
Accounting for Principal - Agent – De-recognition of RTMC	(22 090)
Accounting for Principal - Agent – De-recognition of PRODIBA	(8 810)
Net effect	(35 514)

Related Party disclosure has been restated to remove all transactions that take place in the normal cause of business and only the transactions that take place at non-arm's length are disclosed.

Principle Agent disclosure has been restated as RTMC and PRODIBA on neither principal nor agent to the Department for the recovering of monies.

Note	2014/15 R'000
Expenditure: (E.g. Compensation of employees, Goods and services, Tangible capital assets, etc.)	
Related party disclosure - Goods and services	(160 479)
Related party disclosure - Expenditure for capital assets	(5 497)
Increase in land and subsoil additions due to incorrect capitalisation of prior year.	4
Restatement of principal agent fee paid to SAPO	(8)
Net effect	(165 980)

Related Party disclosure has been restated to remove all transactions that take place in the normal cause of business and only the transactions that take place at non-arm's length are disclosed.

Note	2014/15 R'000
Assets: (E.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)	
Related party disclosure – Receivables	3 612
Irregular expenditure removed from note and disclosed as under investigations - refer to Note 25 for the detail	(16 425)
Refer to the movable assets Note 31 for the detail	(406)
Accrued Departmental revenue - increase in fines	196
Refer to immovable assets Note 33 for the detail	(82 571)
Net effect	(95 594)

Related Party disclosure has been restated to remove all transactions that take place in the normal cause of business and only the transactions that take place at non-arm's length are disclosed. Irregular expenditure under investigation correctly accounted for as under investigation. Accrued Departmental Revenue increased with fines paid for prior year, but only identified in the current year. Tertiary roads removed from immovable assets and only disclosed as a right of use.

Note	2014/15 R'000
Liabilities: (E.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)	
Related party disclosure – Payables at arm's length	(29 821)
Contingent Liabilities – direct claims not previously recorded	80 944
Net effect	51 123

Related Party disclosure has been restated to remove all transactions that take place in the normal cause of business and only the transactions that take place at non-arm's length are disclosed.

36. Transfer of functions

Learner Transport Function was transferred from the Free State Department of Education.

The budget relating to the Learner Transport Function was transferred to the Department for 2015/16.

All accruals pertaining to Learner Transport Function were transferred to the Department in 2015/16.

One official was transferred with the Learner Transport Function to the Department in 2015/16.

36.1 Statement of Financial Position

<i>Note</i>	Bal per dept 2014/15 AFS before transfer	Functions per dept (transferred) / received	Functions per dept (transferred) / received	Functions per dept (transferred) / received	2014/15 Bal after transfer
	2014/15	2014/15	2014/15	2014/15	2014/15
	R'000	R'000	R'000	R'000	R'000
ASSETS	-	-	-	-	-
Current Assets	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-
Fruitless and wasteful expenditure	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-
Other financial assets	-	-	-	-	-
Prepayments and advances	-	-	-	-	-
Receivables	-	-	-	-	-
Loans	-	-	-	-	-
Aid assistance prepayments	-	-	-	-	-
Aid assistance receivable	-	-	-	-	-
Non-Current Assets	-	-	-	-	-
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Loans	-	-	-	-	-
Other financial assets	-	-	-	-	-
TOTAL ASSETS		-	-	-	
LIABILITIES					
Current Liabilities					
Voted funds to be surrendered to the Revenue Fund	-	-	-	-	-

<i>Note</i>	Bal per dept 2014/15 AFS before transfer	Functions per dept (transferred) / received	Functions per dept (transferred) / received	Functions per dept (transferred) / received	2014/15 Bal after transfer
	2014/15	2014/15	2014/15	2014/15	2014/15
	R'000	R'000	R'000	R'000	R'000
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	-	-	-	-	-
Bank Overdraft	-	-	-	-	-
Payables	-	-	-	-	-
Aid assistance repayable	-	-	-	-	-
Aid assistance unutilised	-	-	-	-	-
Non-Current Liabilities	-	-	-	-	-
Payables	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
NET ASSETS	-	-	-	-	-

36.2 Notes

<i>Note</i>	Bal per dept 2014/15AFS before transfer	Functions per dept (transferred) / received	Functions per dept (transferred) / received	Functions per dept (transferred) / received	2014/15Bal after transfer
	2014/15	2014/15	2014/15	2014/15	2014/15
	R'000	R'000	R'000	R'000	R'000
Contingent liabilities	-	-	-	-	-
Contingent assets	-	-	-	-	-
Commitments	-	-	-	-	-
Accruals	(113 815)	(5 564)	-	-	(119 379)
Payables not recognised	-	-	-	-	-
Employee benefits	(89 120)	(57)	-	-	(89 177)
Lease commitments – Operating lease	-	-	-	-	-
Lease commitments – Finance lease	-	-	-	-	-
Lease commitments – Operating lease revenue	-	-	-	-	-
Accrued departmental revenue	-	-	-	-	-
Irregular expenditure	-	-	-	-	-
Fruitless and wasteful expenditure	-	-	-	-	-
Impairment	-	-	-	-	-
Provisions	-	-	-	-	-
Movable tangible capital assets	-	-	-	-	-
Immovable tangible capital assets	-	-	-	-	-
Intangible capital assets	-	-	-	-	-

An EXCO Resolution was taken and implemented on the migration of the Learner Transport Function.

As the transferring department, the Department of Education transferred the Learner Transport Function to the Department of Police Roads and Transport

37. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION						SPENT			2014/15			
	Division of Revenue Act/ Provincial Grants	R'000	Roll Overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by depart-ment	R'000	Amount spent by depart-ment	Under / (Over-spend-ing)	% of available funds spent by depart-ment	Division of Revenue Act	Amount spent by depart-ment
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000		%	R'000	R'000
Public Transport Operating Grant	220 669	-	-	-	-	220 669	220 669	218 459	2 210	99%	215 900	215 774	
Provincial Roads Maintenance Grant	1 142 796	-	-	-	-	1 142 796	1 142 796	1 140 418	2 378	100%	1 261 338	1 261 445	
EPWP Integrated Grant to Province	3 130	-	-	-	-	3 130	3 130	3 130	-	100%	4 635	4 633	
	1 366 595	-	-	-	-	1 366 595	1 366 595	1 362 007	4 588		1 481 873	1 481 852	

The comparative has been restated to remove the earmarked funding as this is not seen as a conditional grant

ANNEXURE1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ AC- COUNT	TRANSFER ALLOCATION					TRANSFER		2014/15
	Adjusted Appropriation	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Free State Fleet Management	-	-	-	-	-	-	-	3 800
Free State Taxi Council	5 000	-	-	5 000	5 000	100%	5 000	5 000
Icasa Licenses	-	-	-	-	-	-	-	175
TOTAL	5 000	-	-	5 000	5 000	-	-	8 975

ANNEXURE 1B

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2014/15
	Adjusted	Roll	Adjust-	Total	Actual	% of	Capital	Current	
	Appropriation Act	Overs	ments	Available	Transfer	Available funds Transferred			
	R'000	R'000	R'000	R'000	R'000		R'000	R'000	R'000
Public Corporations									
Transfers	-	-	-	-	-	-	-	-	-
Subsidies	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Private Enterprises									
Transfers	-	-	-	-	-	-	-	-	-
Subsidies	220 669	220 669	218 459	99.0%		99.0%			215 900
Itumele Bus Lines t/a Interstate Bus lines (IBL)	182 866	182 866	178 314	97.5%	218 459	97.5%	-	-	177 038
Scopeful 21 (Pty) LTD t/a Maluti Bus Services	37 803	37 803	40 145	106.2%	178 314	106.2%			37 703
GS Thebeagae Bus Services	-	-	-	-	-	-	-	-	1 159
Total	220 669	220 669	218 459	99.0%	-	99.0%	-	-	215 900
TOTAL	220 669	220 669	218 459	99.0%	-	99.0%	-	-	215 900

ANNEXURE 1C

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2014/15
	Adjusted Appropriation Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Injury on Duty	45	-	-	45	-	0%	27
Leave Gratuity	5 402	-	-	5 402	5 218	97%	4 013
Claims against the state	2 093	-	-	2 093	2 074	99%	1 265
Subsidies	7 540	-	-	7 540	7 292		5 305
TOTAL	7 540	-	-	7 540	7 292		5 305

ANNEXURE 1D

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2015/16	2014/15
		R'000	R'000
Received in cash			
Interstate Bus lines	Donations - Cash	40	-
Subtotal		40	-
Received in kind			
Free State Fleet Management	Donation received of 5 vehicles	-	388
Workshop Electronics	Furniture	52	-
Caswell Mthombeni Cons.	Furniture	229	-
VNA Consulting	Computers	64	-
Caswell Mthombeni Cons.	8-ton Branded truck	1 600	-
Caswell Mthombeni Cons.	Road block trailers	690	-
Caswell Mthombeni Cons.	Instruments for the FS band	70	-
Caswell Mthombeni Cons.	Data Projector	52	-
Free State Fleet Management	Donation received of 25 vehicles for 5 learning schools	767	
Subtotal		3 524	388
TOTAL		3 564	388

ANNEXURE 1E

STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDI-TURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
Road Traffic Management Corporation	Road Safety programme	216	-	-	216
Subtotal		216	-	-	216
Received in kind					
Subtotal		-	-	-	-
TOTAL		216	-	-	216

ANNEXURE 1F**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE**

NATURE OF GIFT, DONATION OR SPONSORSHIP	2015/16	2014/15
	R'000	R'000
Made in kind		
Lemotso Public Primary School	20	-
Trophies for Annual Prov. Driver of the year	2	-
T-shirts for annual driver of the year competition	14	-
Certificates for debate competition	2	-
Trophies for competition	5	-
Certificates for competitions	5	-
Certificates for long service awards	149	-
Live performance at a funeral - Late Captain Moloi(SAPS)	-	50
Accommodation for 60 police officials	-	62
Accommodation for Col Jacob Mokhehi	-	9
Late Sgt Teboho Motsie's family	-	93
Long service awards certificates	-	22
Donation of 5 vehicles to the Free State Provincial Taxi Council	-	388
Donation of 6 trailers to Fleet management	690	
Donation of 5 vehicles to 5 learning schools	767	
TOTAL	1 654	624

ANNEXURE 1G

STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT

	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total
Grant Type	2015	2015	2015	2015	2015	2015	2015	2015	2015	2016	2016	2016	R'000
EPWP													
Integrated grant for Provinces	-	-	-	1 250	-	941	-	-	-	-	-	939	3 130
Provincial Roads													
Maintenance Grant	-	143 478	97 708	180 377	121 082	30 975	185 494	85 737	114 041	5 209	100 864	75 453	1 140 418
Public Transport													
Operations Grant	-	15 419	19 443	17 971	17 790	19 517	17 808	18 802	19 480	18 742	17 590	35 895	218 459
Infrastructure													
Enhancement Allocation	21 391	26 340	27 434	32 753	35 687	26 244	41 887	26 723	30 637	27 979	31 034	46 630	374 740
Learner Transport	-	-	2 204	5 727	3 940	2 988	5 219	4 669	10 409	808	2 455	12 770	51 188
Cash in Transit	860	860	860	860	860	860	860	860	860	860	861	861	10 322
TOTAL	22 251	186 098	147 650	238 938	179 358	81 525	251 268	136 791	175 427	53 598	152 804	172 548	1 798 257

ANNEXURE 2

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2016

Nature of Liability	Opening Balance	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance
	1 April 2015				31 March 2016
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Road accident claims	198 653	24 282	(13 610)	-	209 325
Direct Claims against the Department	937	887	(491)	-	1 333
Claims for services rendered and not paid	9 775	-	-	-	9 775
Subtotal	209 365	25 169	(14 101)	-	220 433
Environmental Liability					
<i>Land rehabilitation of Quarries</i>	4 461 079	-	-	-	4 461 079
Subtotal	4 461 079	-	-	-	4 461 079
Other	-	-	-	-	-
Subtotal	-	-	-	-	-
TOTAL	4 670 444	25 169	(14 101)	-	4 681 512

The comparative (opening balance) has been restated to better reflect road accident claims as well as direct claims against the Department at the end of the previous financial year.

TOTAL

- - - - -

ANNEXURE 3

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2015/16	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
National Department of Correctional Services	-	-	-	27	-	27	-	-
National Department of Sports and Recreation	-	41	-	-	-	41	-	-
National Department of Transport	-	-	883	883	883	883	-	-
National Department of Labour	-	-	18	46	18	46	-	-
National Department of Telecommunications & Postal Services	-	-	98	-	98	-	-	-
National Department of Defence	-	-	42	-	42	-	-	-
South African Police Service	-	-	3	-	3	-	-	-
DIRCO	-	-	3	-	3	-	-	-
EC: Department of Transport and Safety	-	-	8	-	8	-	-	-
NC: Department of Transport and Safety	-	-	3	-	3	-	-	-
Train KRD	-	-	-	20	-	20	-	-
NC Provincial Treasury	-	20	-	-	-	20	-	-
FS Public Works	-	-	-	681	-	681	-	-
Free State DETEA	-	-	-	3	-	3	-	-
	-	61	1 058	1 660	1 058	1 721	-	-
Other Government Entities								

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2015/16	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<i>Fleet Management</i>	63	-	298	1 298	361	1 298	-	-
<i>SANRAL</i>	-	912	403	-	403	912	-	-
TOTAL	63	912	701	1 298	764	2 210	-	-
	63	973	1 759	2 958	1 822	3 931	-	-

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2015/16	
	31/03/ 2016	31/03/ 2015	31/03/ 2016	31/03/ 2015	31/03/ 2016	31/03/ 2015	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
DEPARTMENTS								
Current								
FS Department of Premier	854	343	-	-	854	343	-	-
FS Department of Social Welfare	205	11	-	-	205	11	-	-
FS Department of Public Works	1	14	-	-	1	14	-	-
FS Department of Health	-	41	-	-	-	41	-	-
Subtotal	1 060	409	-	-	1 060	409	-	-
Non-current	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
TOTAL	1060	409	-	-	1060	409	-	-
OTHER GOVERNMENT ENTITY								
Current								
South African Post Office	-	131	-	-	-	131	-	-
South African Police Services	-	2	-	-	-	2	-	-
Subtotal	-	133	-	-	-	133	-	-

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2015/16	
	31/03/ 2016	31/03/ 2015	31/03/ 2016	31/03/ 2015	31/03/ 2016	31/03/ 2015	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
Non-current	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
TOTAL	1 060	542	-	-	1 060	542	-	-

ANNEXURE 5

INVENTORIES

Inventory [Per major category]	Note	Quantity	2015/16 R'000	Quantity	2014/15 R'000
Opening balance		-	-	-	-
Add/(Less): Adjustments to prior year balance		-	-	-	-
Add: Additions/Purchases – Cash		-	-	-	-
Add: Additions - Non-cash		-	-	-	-
(Less): Disposals		-	-	-	-
(Less): Issues		-	-	-	-
Add/(Less): Adjustments		-	-	-	-
Closing balance		-	-	-	-

ANNEXURE 6

MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Current Year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	747 038	684 388	(955 939)	475 487
Non-residential buildings	-	14 088	-	14 088
Other fixed structures	747 038	670 300	(955 939)	461 399
LAND AND SUBSOIL ASSETS	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-
TOTAL	747 038	684 388	(955 939)	475 487

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

	Opening balance R'000	Prior period error R'000	Current Year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	54 775	122 372	747 036	(177 145)	747 038
Non-residential buildings	-	-	19 678	(19 678)	-
Other fixed structures	54 775	122 372	727 359	(157 467)	747 038
LAND AND SUBSOIL ASSETS	739	(743)	4	-	-
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	739	(743)	4	-	-
TOTAL	55 514	121 629	747 040	(177 145)	747 038

Quarries were incorrectly disclosed in 2013/14 and 2014/15 as Mineral and similar non-regenerative resources work in progress. The error was corrected to include under Note 35.

ANNEXURE 7

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

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	R'000	R'000	R'000	R'000	R'000	R'000
PROVINCIAL DEPARTMENTS						
Current						
Other	-	-	1	122	1	122
Subtotal	-	-	1	122	1	122
Non-Current						
	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Subtotal	-	-	1	122	1	122
TOTAL						
Current	-	-	1	122	1	122
Non-current	-	-	-	-	-	-

ANNEXURE 8

IMMOVABLE ASSETS ADDITIONAL DISCLOSURE

Tertiary roads are roads that are on farm lands and are not the property of the Department.

These roads are used as access roads and the Department only has right of use of the assets.

There is a total of 18 643.75 km's of proclaimed tertiary roads in the Province.



PART F

FREE STATE FLEET MANAGEMENT
TRADING ENTITY

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RAL INFORMATION

GENERAL INFORMATION

Country of incorporation and domicile
South Africa

Accounting Officer
Mr SJ Msibi

Acting Head: Fleet Management
Mr R Thekiso

Acting Chief Financial Officer
Mr JM Morobe

Acting Director: Fleet Operations
Mr W Bezuidenhout

Director: Security
Mr S Modise

Registered Office
C/o Rhodes and Harvey Avenue
Bloemfontein
Free State

Postal Address
Private Bag 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, 2nd Floor
Brandwag
Bloemfontein
9300

REPORT OF THE ACCOUNTING OFFICER

The 2015/16 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 and 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 **321 to 62** have been approved by the accounting officer.



A handwritten signature in black ink, appearing to read 'SJ Msibi', written over a series of horizontal lines.

.....
Mr SJ Msibi

Accounting Officer

29 JULY 2016

FINANCIAL REVIEW BY MANAGEMENT

1. Financial highlights

❑ Loss for the period

The Trading Entity's Loss for the financial year under review is 25 million. The contributions in loss 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, Lastly, the impairment loss of assets affected the financial performance adversely.

❑ PROPAC Resolutions

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

2. Revenue

The total expenses increased by 16% from R431 million to R 514 million. The increase in total expenditure is primarily due to an increase in depreciation of 26% to R140 million.

Yet, ongoing systematic challenges remain deeply rooted in transversal contract and operational controls.

3. Trade and other receivables from exchange transactions

Total debtors increased from R114.3 million to R148 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.

4. Cash

Cash and cash equivalents decreased from R281 million to R260 million, as compared to the previous financial year. The decrease in cash and cash equivalents is primarily due to payment of all outstanding invoices for the services rendered under the RT46 contract.

5. Progress related to primary operational programs

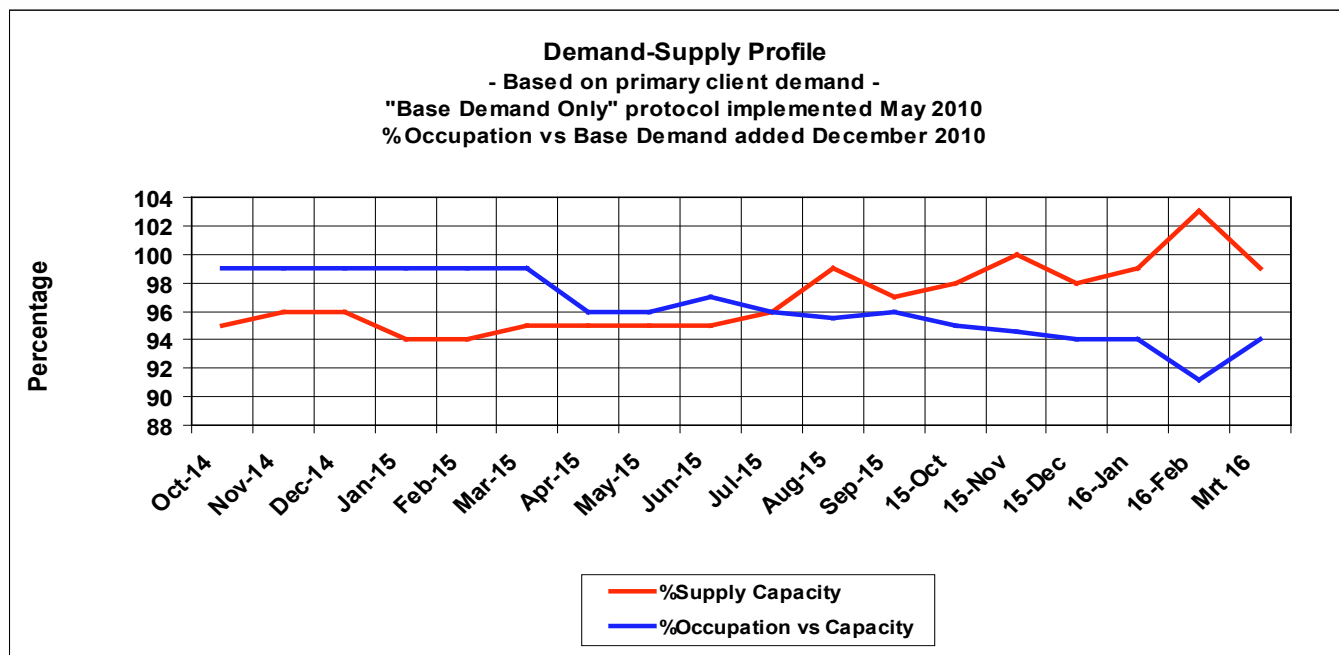
Fleet Management manages key programs within the operational divisions namely the Equipment Life-Cycle Management program and the Client Support program

5.1 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 October 2014 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. Supply-Demand

6.1.1 Profile



6.1.2 Profile Analysis

1. Fairly level occupation and availability from October 2014. Rebuild and repaired machines becoming available, re-graveling projects undertaken by Roads Infrastructure
2. Demand increase for municipal projects since May 2015.
3. Downscaling in activities at the Road Building unit since November. Demand stable, FM can withdraw underutilised equipment for running and check-up repairs.

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	Engine failures - destructive	Still under investigation, seems to be an OPM parts problem -- conrods	Revised parts prescripts implemented. To be finalized, based on outcome of root cause investigation 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 possible	Cost: about R340,000 per unit
SFA Fuel trailer	Inadequate numbers of upgraded units	NA	Purchase. Tender transaction, specs ready	

6. Supply-Demand (*continued*)

6.1.3 Source Data Analysis (Individual shortfalls on supply capacity) (*continued*)

Additional need identified:

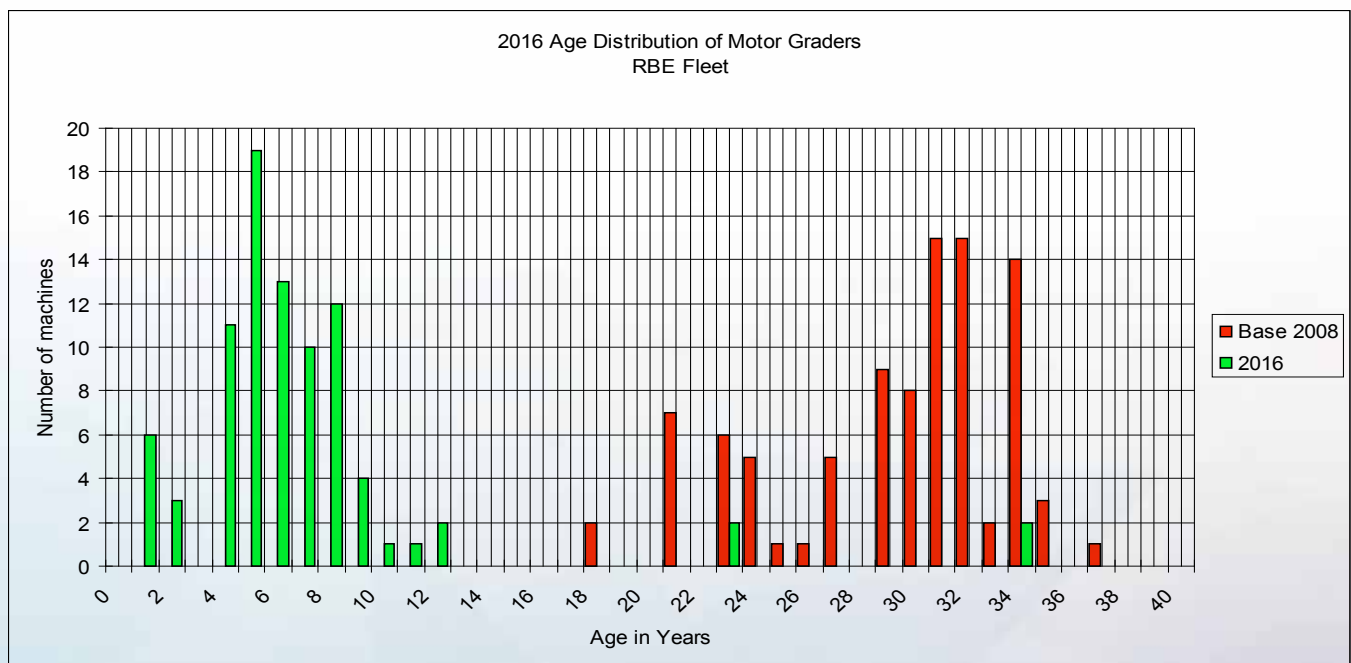
One abnormal load truck-tractor was lost in an accident. This vehicle will have to be replaced with a similar, and an additional **on-of highway tractor** in the 90-ton GCM category is required.



The Trading Entity completed the rebuild of three (3) motor grader internally, completed six (6) internal major repairs, one (1) major repair on a front-end loader and extended the life cycles (through various levels of repairs) of twenty-six (26) machines. Internal rebuilds and major repairs on motor graders added an estimated fifty-one thousand (51 000) grader service hours to fleet capacity against a 2015/16 annual “consumption” of thirty-six thousand (36 000) hours. 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 (base year) to green in 2016 (31 March 2016). Output of the rebuild and major repairs program.

6. Supply-Demand (*continued*)

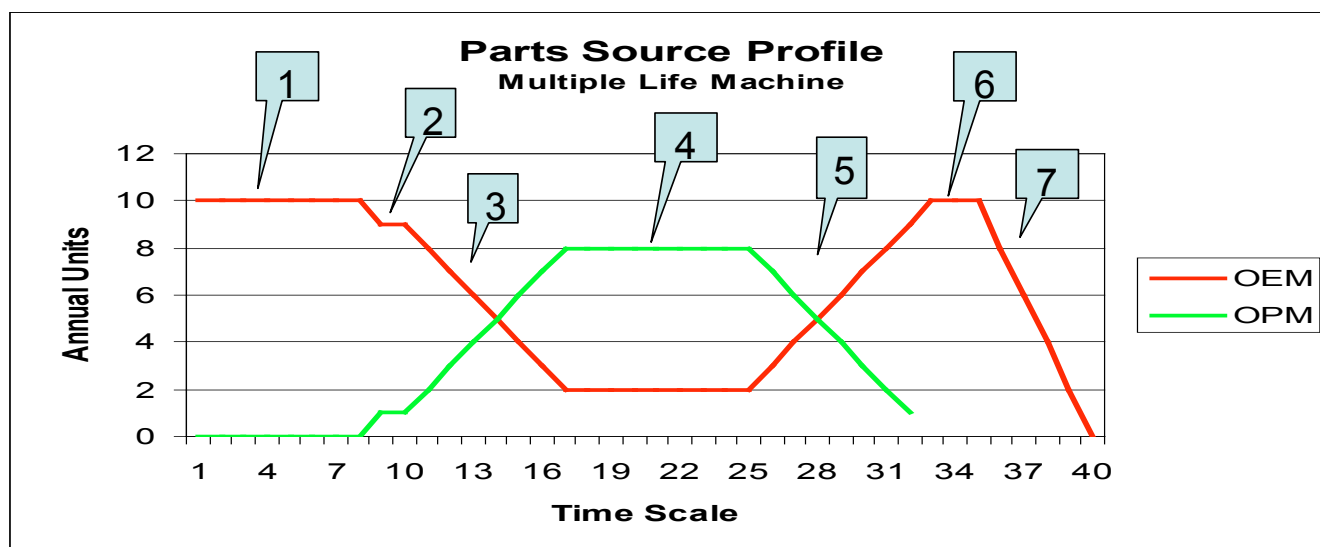
6.1.5 Profile Analysis and Projection

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, and even if it doesn't happen, will metal fatigue eventually begin to play its role on strain-bearing and structural parts.

Conclusion: The replacement/rejuvenation 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



GRB8313, being stripped down for a full internal rebuild, and GRB9403, for a major internal repair. Both these repairs added “new lives” to the machines, and were recapitalized, with new residual lives.

6.7 Ad Hoc Support Services (Hlasela projects)



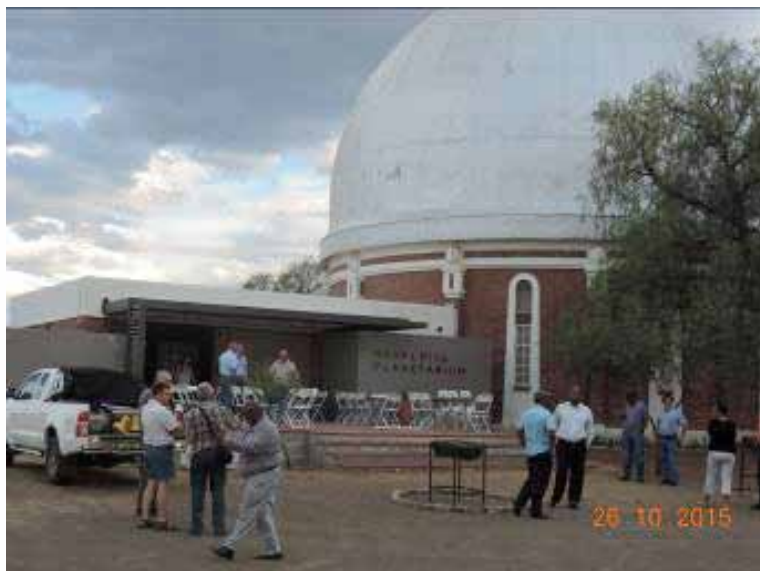
Left: Dihlabeng Municipality

Right: Masilonyana Municipality

6.8 Impact on National Level

6.8.1 Successful hosting of the 2015 MSSC (Mechanical Services Sub-Committee) conference, from 26 to 30 October 2015.

The MSSC is a sub-committee of the CCGMT (Coordinating Committee for Government Motor Transport). The conference is held annually, the hosting province is rotated on a roster, and it is attended by delegates from all provincial “yellow” fleets as well as the Department of Water Affairs. Subject matter is mechanical-technical, and concerns the management of a yellow fleet. Specialists from industry are invited to present lectures of relevant interest.



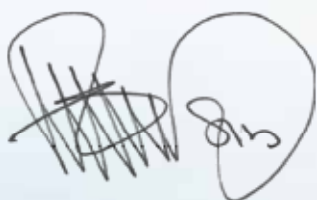
Delegates were treated with a visit to the Naval Hill Planetarium

6.8.2 “Yellow Plant” on transversal National Treasury contract (RT57)

For the first time ever, the Transversal National Treasury Contract RT57 will have earthmoving machinery incorporated. The contract is expected to become available June/July 2016. This will be the result of an intensive preparation program by the Working Committee of the MSSC, where Free State Fleet Management is one of the “primary drivers”

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

29 JULY 2016

FLEET MANAGEMENT TRADING ENTITY

Priorities

- ❑ **Rightsizing of the fleet and alignment of the fleet composition to the requirements of the users (TARGET 350 VEHICLES)**

This is a continuous process of needs analysis, capacity measurements, projections, and prioritization of repairs, refurbishments and purchases.

Until end of March 2016, a total of 564 new fleet vehicles and equipment were delivered.

- ❑ **Increase procurement of maintenance and repairs services from Historically Disadvantaged Individuals (HDIs) (TARGET 10)**

At the end of the financial year, the actual number of tenders for maintenance and repairs from HDIs accounted to 10.

- ❑ **Keep fleet within its life expectancy**

This is an ongoing process which needs collaborations of user department as well as fleet management in order to comply with warranty requirements. Until the end of March 2016, actual service and maintenance performed was 80%.

Measurable objectives	Performance Indicators	2015/16 Performance Targets	Performance Target end of Quarter 4	Achieved until March 2016	Comments to explain the targets achieved (accumulative since 1 April 2015)
Improvement of quality of service to client Department.	Provision of additional vehicles (over above normal replacement).	100%	100%	100%	<p>Actual delivery period dependent on:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Heavy equipment or sedan vehicle <input type="checkbox"/> Locally manufactured <input type="checkbox"/> Involvement of sub-contractor (e.g. truck body builder) <p>Order and supply vehicles in terms of client requirements, basically the order and delivery of additional vehicles at the end of the financial year.</p>
Increase procurement of maintenance and repair services from Historically Disadvantaged Individuals (HDI).	Number of tenders awarded to HDIs.	10 HDIs companies	10 HDIs companies	10 HDIs companies were awarded tenders.	Tenders related to branding, fumigation, QwaQwa yard service and vehicles accessories were awarded to HDIs during 2015/16 financial period. Maintenance of service and repairs of vehicles which warranties has expired.
Keep fleet within its life expectancy.	Number of vehicles maintained.	80%	80%	80%	Service and maintenance of vehicles to sustain manufactures warranties and perform regular technical inspections.

INTERNAL AUDIT AND AUDIT COMMITTEE

INTERNAL AUDIT FUNCTION

In the period under review, the Internal Audit Function (IAF) of the Free State Department of Police, Roads and Transport continued to fulfil its mandate to provide an independent, objective assurance and consulting activity that is designed to add value and improve the department's operations; in line with the PFMA, Treasury Regulations and the King Report on Corporate Governance requirements.

The Internal Audit Function assisted the department to accomplish its objectives by bringing a systematic and disciplined approach by evaluating and assisting in improving the effectiveness of risk management, control and governance within the department. The function is a fully in-house function and operates in accordance with the approved Internal Audit Charter, Treasury Regulations and the International Standard of the Professional Practice of Internal Auditing (ISPPA).

The Internal Audit Function is further guided by a fully functional Audit Committee which operates in terms of an approved Audit Committee Charter and the Treasury Regulations.

The IAF has been subjected to an external quality assessment, by an external quality assessor, and was found to be partially conforming to the ISPPA. The function proceeded to implement measures to address all non-compliant requirements, assisted and monitored by the Audit Committee.

INTERNAL AUDIT RESPONSIBILITIES

The IAF through engagement with internal stakeholders formulated a comprehensive three-year rolling plan, incorporating an annual plan that was approved by the Audit Committee. The annual audit plan of planned audits was fully executed during the year under review. The IAF also performed various consulting activities, and relationships with management improved as evidenced by the increase in management requested engagements, in turn, indicating that management sees the value of the IAF within its system of governance. Furthermore, the head of the IAF has complete access and a direct reporting line to the Audit Committee and reports at each audit committee meeting on control weaknesses and other internal audit activities. The following list constitutes the internal audit work completed during the period of review:

Business Unit	Audit Coverage
Fleet Management	<ul style="list-style-type: none"> Assets Revenue Security Management Debtors Management Performance Management

AUDIT COMMITTEE

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Number of meetings attended
Maleho Nkomo	<ul style="list-style-type: none"> B.Com B Com (Hons) M.Com 	External	N/A	1 September 2014	5 of 5
Andile Mahlalutye	<ul style="list-style-type: none"> BSc Quantity Surveying Diploma in Company Direction Masters in Business Leadership Masters in Financial Management Certificate in Development and Management of Non-Governmental Organisation 	External	N/A	<p>Initial Appointment : 1 March 2011</p> <p>Re-appointment: 1 September 2014</p>	3 of 5
Priscilla Mateta	<ul style="list-style-type: none"> B Com Accounting Post Graduate Diploma in Engineering Business Management Post Graduate Certificate in Compliance Management Post Graduate Certificate in Corporate Governance Post Graduate Certificate in Environmental Law 	External	N/A	<p>Initial Appointment : 1 March 2011</p> <p>Re-appointment: 1 September 2014</p>	5 of 5

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Number of meetings attended
Collen Weapond	<ul style="list-style-type: none"> LLB B Juris Certificate in Policing B Tech Policing/ Investigations Diploma in Education B. Comm Honours (IT) Postgraduate Diploma in Computer Forensic (Course work) Diploma in Business Management Diploma in Compliance Management Programme in Fraud Management 	External	N/A	<p>Initial Appointment : 1 March 2011.</p> <p>Re-appointment: 1 September 2014.</p>	4 of 5
George Motloi	<ul style="list-style-type: none"> B Com in Accounting Management Development Programme (MDP) 	External	N/A	1 September 2014	5 of 5
Sibusiso Majola	<ul style="list-style-type: none"> Certificate in Theory of Accounting B Com Accounting (Hons) Certified Internal Auditor 	External	N/A	1 September 2014	5 of 5

The Audit Committee continues to operate within its approved charter, which is reviewed annually to ensure relevance. In discharging its functions and delivering on its mandate, the Committee ensures to comply to section 38(1)(a) of the PFMA and paragraph 3.1 of the Treasury Regulations, through the combined support of all the assurance providers.

The Audit Committee met five times during the financial year under review. In these meetings, the Accounting Officer and executive management were always represented. The Auditor-General is always invited to attend, thus ensuring that such meetings are as effective and transparent as possible, also to ensure a renewed working relationship with the AGSA and that duplication of efforts is avoided.

AUDITOR-GENERAL'S REPORT

The Internal Audit Function performed a review of the departmental Audit Action Plan to address the audit issues raised by the AGSA in the previous year and were satisfied that the remedial actions would address the issues raised.

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2016

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the department revealed certain weaknesses, which were then raised with the Department.

The following internal audit work was completed during the year under review:

- Review Assets Management
- Review of Revenue Management
- Evaluation of Security Management
- Assessment of Debtors Management
- Review of Performance Management

The following were areas of concern:

- The delays in addressing the issues raised by the Auditor General South Africa during the 2014/2015 audit
- The issue of Fleet Management not having an annual budget to run its operations

In-Year Management and Monthly/Quarterly Report

The department has reporting monthly and quarterly to the Treasury as is required by the PFMA.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discuss the unaudited Annual Financial Statements to be included in the Annual Report, with the Auditor General South Africa (AGSA) and Accounting Officer
- Reviewed the information on the Predetermined Objectives to be included in the Annual Report, and
- Reviewed the Department's compliance with legal and regulatory provisions.

Auditor-General's Report

We have reviewed the department's implementation plan for audit issues raised in the previous year and we are satisfied that the matters have, to a significant extent, been resolved.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



.....

Mrs. MMD Nkomo

Chairperson of the Shared Audit Committee

Date: 29 July 2016

REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF THE FREE STATE FLEET MANAGEMENT TRADING ENTITY FOR THE YEAR ENDED 31 MARCH 2016

Report on the financial statements

Introduction

1. I have audited the financial statements of the Free State Fleet Management Trading Entity set out on pages 286 to 335, which comprise the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets, statement of cash flows 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

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with 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 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 Free State Fleet Management Trading Entity as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with SA standards of GRAP and the requirements of the PFMA.

Emphasis of matter

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

Significant uncertainty

8. With reference to note 5.12 to the financial statements, the trading entity is the defendant in a labour-related case against them for an amount of R27 500 000 (2015: R20 700 000). The trading entity is opposing these claims. The ultimate outcome of the matter cannot currently be determined and therefore no provision for any liability that may result could be made in the financial statements.

Report on other legal and regulatory requirements

9. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) 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

10. The predetermined objectives of Free State Fleet Management Trading 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

11. 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

12. 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 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2016

		31 March 2016 R'000	31 March 2015 R'000 <i>Restated</i>
	Notes		
REVENUE			
Revenue from Exchange Transactions	5.1.1	461 036	455 590
Finance Income	5.1.2	23 529	18 798
Other Income	5.1.3	64	1 289
Revenue from Non- Exchange Transactions	5.1.4	-	6 163
Total Revenue		484 629	481 840
EXPENSES			
	5.2.1	(3 982)	(3 426)
Administrative Expenses	5.2.2	(53 408)	(53 673)
Employee Benefit Expense	5.2.3	(316 659)	(270 533)
Other Operating Expenses	5.2.4	(140 903)	(104 274)
Depreciation Expense			
Total Expenses		(514 952)	(431 906)
Operating Surplus/(Loss)		(30 323)	49 934
Gains on Disposal of Property, Plant & Equipment		5 355	6 048
Actuarial Gain/(Loss) on Long Service Awards Provision 5.7.1		794	(134)
SURPLUS FOR THE PERIOD		(24 174)	55 848

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Notes	31 March 2016 R'000	31 March 2015 R'000 <i>Restated</i>
ASSETS			
Current Assets		408 567	395 045
Trade and Other Receivables from Exchange Transactions	5.4.1	148 289	114 256
Cash and Cash Equivalents	5.5	260 278	280 789
Non-Current Assets		477 458	493 574
Property, Plant and Equipment	5.3	477 458	493 574
Total Assets		886 025	888 619
LIABILITIES			
Current Liabilities		104 639	122 342
Payables From Exchange Transactions	5.6	93 085	35 037
Employee Benefits	5.7	11 282	11 116
Long Service Award Provision	5.7.1	272	210
Operating Expense Provision	5.8	-	75 979
Non-Current Liabilities		1 685	2 231
Long Service Award Provision	5.7.1	1 685	2 231
Total Liabilities		106 324	124 573
Net Assets		779 701	764 045
NET ASSETS			
Reserves		135 818	120 897
Accumulated Surplus		643 883	643 146
Total Net Assets		779 696	764 045

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2016

	Accumulated Surplus	Revaluation Reserve	Total
Notes	R'000	R'000	R'000
At 31 March 2014	578 245	81 171	659 416
Surplus for the period	55 848	-	55 848
Surplus/(Deficit) on the revaluation of Property, Plant and Equipment	-	48 779	48 779
Transfers between components of net assets	9 053	(9 053)	-
Restated balance as at 31 March 2015	643 146	120 897	764 043
Deficit for the period	(24 174)		(24 174)
Surplus on the revaluation of Property, Plant and Equipment		14 921	14 921
Transfers between equity components	24 996		24 996
Other movements	(85)		(85)
At 31 March 2016	643 883	135 818	779 701

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2016

		31 March 2016	31 March 2015
	Notes	R'000	R'000
			<i>Restated</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Sales of goods and rendering of services		428 282	413 552
Payments to Suppliers and Employees		(332 623)	(208 340)
Net Cash Flows from Operations		95 659	205 212
 Interest Received	5.1.2	23 529	18 799
 Net Cash Flows from Operating Activities	5.10	119 188	224 011
 CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Vehicles		(167 134)	(92 622)
Purchase of Road Building Equipment		(2 865)	(8 660)
Purchase of Tools		-	(13)
Purchase of Office Equipment and Furniture		(723)	(345)
Proceeds on Sale of Fixed Assets		31 023	13 057
 Net Cash Flows from Investing Activities		(139 699)	(88 583)
 NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(20 511)	135 428
 CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		280 789	145 361
 CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5.5	260 278	280 789

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. GENERAL INFORMATION

The annual financial statements of the Fleet Management Trading Entity for the year ended 31 March 2016 were authorised for issue by the Accounting Officer on the 31st of May 2016.

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:

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.

- a) *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.
- b) *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.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies are disclosed below.

These accounting policies are consistent with the previous period, except for the changes set out in note 25 for First-time adoption of Standards of GRAP.

GOING CONCERN ASSUMPTION

These financial statements have been prepared based on the expectation that the Entity will continue to operate as a going concern for at least the next 12 months.

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:

Impairment of Cash Generating 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.

3.1 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (*continued*)

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.

Estimates

Estimates are informed by historical experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

In the process of applying the Entity's accounting policies the following estimates, were made:

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.

3.1 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (*continued*)

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.

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

GRAP 106 – Transfer of Function Between Entities Not Under Common Control

Effective 1 April 2015.

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.

3.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (Continued)

3.2.2 Statements and interpretations not yet effective

GRAP 16 – Investment Property (amended)

The amended standard does not yet have an effective date. The amendments to this standard provide clarification for classification between PPE/Inventory and Investment Property.

GRAP 17 – Property, Plant and Equipment (amended)

The amended standard does not yet have an effective date. The amended standard provides additional guidance with regards to measurement after recognition of the residual value and useful life of Property, Plant and Equipment.

GRAP 18 Segment Reporting

The standard does not yet have an effective date for trading entities. 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.

GRAP 105 – Transfer of Function between Entities under Common Control

The standard does not yet have an effective date for trading entities. 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

3.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (*continued*)

3.2.2 Statements and interpretations not yet effective (*continued*)

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 107 – Mergers

The standard does not yet have an effective date for trading entities. 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 subsequently 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.

GRAP 109 - Accounting by Principals and Agents

The standard does not yet have an effective date. As the objective of this Standard is to outline when an entity is a principal or an agent, the Board agreed that entities should first assess in what capacity they act in an arrangement, based on the principles in this Standard, before applying other Standards of GRAP that deal with the recognition and measurement of transactions arising from that arrangement.

This standard is anticipated to have an 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 17 – Service Concession Arrangements where a Grantor controls a significant residual interest in an asset

The standard does not yet have an effective date. This Interpretation of the Standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement where the arrangement does not constitute a lease. This Interpretation of the Standards of GRAP shall not be applied by analogy to other types of transactions or arrangements.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, Plant and 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

4.1 Property, Plant and Equipment (*continued*)

Subsequent Measurement

After recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably 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.

For property, plant and equipment that are stated at historical cost less accumulated depreciation and impairment losses refer to the detail accounting treatment below:

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.

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.

Motor vehicles are depreciated over a useful life of 3 to 7 years, part of the road building equipment is depreciated over a useful life of 7 years and the depreciation of graders are based on hours. 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

4.1 Property, Plant & Equipment (*continued*)

The assets expected residual values and estimated useful lives are reviewed, and adjusted if appropriate, on an annual basis.

Change in the estimated useful life are accounted for by changing the depreciation period or method, as appropriate, and are treated as changes in accounting estimates.

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.

De-recognition

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 de-recognition 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 (*continued*)

4.2.1 Impairment of Cash Generating Assets (*continued*)

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 pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

4.2 Impairment of Assets

4.2.1 Impairment of Cash Generating Assets

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.

4.3 Financial Instruments

Classification

The Entity has the following types of financial assets (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto:

Class	Category
Trade and other receivables	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

The Entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other payables	Financial liability measured at amortised cost

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

4.3 Financial Instruments (*continued*)

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.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

4.3 Financial Instruments (*continued*)

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

The undiscounted amount of short-term employee benefits expected to be paid in exchange for an employee who has rendered service during the financial year is recognised as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits the excess is recognised as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and as an expense, unless another Standard requires or permits it.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

4.4 Employment Benefits (*continued*)

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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

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).

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

4.5.2 Revenue from Exchange Transactions (*continued*)

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.

When a liability is subsequently reduced, because a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

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.

4.6 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. Non-adjusting events are disclosed.

Reporting date means the date of the last day of the reporting period to which the financial statements relate. The reporting date of the Entity is 31 March 2016.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

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.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

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.

Correction of errors is applied retrospectively in the period in which the error has occurred, 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 entity shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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.

4.12 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, unless it relates to the purchases of assets 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.

4.13 Provisions

Recognition

Provisions are recognised when:

- ☐ the entity has a present obligation as a result of a past event;
- ☐ 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 can be made of the obligation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

4.13 Provisions (*continued*)

Initial measurement

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure, required to settle a provision, is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the Entity settles the obligation.

Subsequent measurement

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

De-recognition

Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

4.14 Related Parties

A related party is a person or an entity with the ability to control or jointly control the other party or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

All transactions with related parties (at arm's length and not at arm's length) or in and not in the ordinary course of business are disclosed.

4.15 Changes in accounting policies and estimates

Changes in accounting policies that are effected by management are applied retrospectively unless it is impracticable.

Changes in accounting estimates are applied prospectively. Details of changes in estimates are disclosed in the Notes to the Annual Financial Statements where applicable.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

4.16 Commitments

A commitment is an intention or decision to sacrifice future economic benefits and it is lack of a present obligation because there is no enforceable or irrecoverable agreement between parties. Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	Notes	31 March 2016 R'000	31 March 2015 R'000
Salaries and wages		35 892	36 940
Bonuses		4 502	3 896
Contributions to retirement funds		4 494	4 670
Medical aid contributions		3 751	3 151
Housing allowance		2 241	2 045
Long service award service cost		-	107
Other expense		2 383	3 191
		53 267	54 000
Leave accrual		145	(327)
		53 408	53 673
Number of employees at year end		198	199

Other expenses mainly consist of Leave Gratuity payments, non-pensionable payments to employees and payments relating to subsidised vehicles.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	Notes	31 March 2016 R'000	31 March 2015 R'000
5.2.3 Other Operating Expenses			
Domestic consumables		102	59
Provision for bad debt adjustment		(1 279)	36 503
First auto fees (transaction costs)		6 948	7 016
Fuel, oil & grease		144 087	126 346
Net Impairment loss/(reversal)	5.3.4/5	55 570	(1 695)
Legal fees		55	54
Licence fees		4 514	4 392
Maintenance services		3 021	1 532
Tyres and Repairs		79 285	84 703
Small equipment		-	30
Toll fees		3396	2 865
Travel and subsistence		1 878	1 622
Rental of equipment		-	14
Thefts & losses		-	976
Rent of buildings		4 323	3 990
Safeguard and security		554	1 425
Donations		181	388
Other		14 024	323
		316 659	270 533

Other Operating Expenses consists of the following:

- Tracking Expenses
- SITA data lines
- Subscriptions
- Car valet and washing
- Fines and penalties

The comparative figures were restated to improve the transparency of the financial statements. Refer to prior period error in note 5.9.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	Notes	31 March 2016 R'000	31 March 2015 R'000
5.2.4 Depreciation Expense			
Depreciation – equipment		559	467
Depreciation – tools		67	77
Depreciation – machinery fleet		13 376	12 548
Depreciation – vehicle fleet		126 901	91 182
		140 903	104 274
5.3 Property, Plant & Equipment			
Office Equipment, Furniture and Tools	5.3.1	1 608	1 511
Vehicle Fleet	5.3.2	339 113	348 970
Road Building Equipment	5.3.3	136 737	143 093
		477 458	493 574

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 2016

5.3 Property, Plant & Equipment (*continued*)

	Office Equipment and Furniture R'000	Assets Held Under Finance Leases R'000	Tools R'000	Total R'000
Carrying Value – 31 March 2014	1 477	-	220	1 697
Cost	3 216	-	1 162	4 868
Accumulated depreciation & impairment	(1 739)	-	(942)	(3 171)
Additions	345	-	13	358
Derecognised	-	-	-	-
Depreciation	(467)	-	(77)	(544)
Carrying Value – 31 March 2015	1 355	-	156	1 511
Cost	3 561	-	1 175	4 736
Accumulated depreciation & impairment	(2 206)	-	(1 019)	(3 225)
Additions	723	-	-	723
Derecognised	-	-	-	-
Depreciation	(559)	-	(67)	(626)
Carrying Value – 31 March 2016	1 519	-	89	1 608
Cost	4 029	-	1 175	5 204
Accumulated depreciation & impairment	(2 510)	-	(1 086)	3 596

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

5.3 Property, Plant & Equipment (*continued*)

5.3.1 Office Equipment, Furniture and Tools

	31 March 2016 R'000	31 March 2015 R'000
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5.3.2 Vehicle Fleet

Opening balance – 1 April

	348 970	302 669
Valuation		
	348 970	302 669
Accumulated depreciation		
	-	-

Movements:

Additions	162 970	98 914
Disposals	(23 205)	(7 890)
Depreciation expense	(126 901)	(91 182)
Annual revaluation of vehicle fleet	(22 721)	46 459
Impairment loss recognised in the Statement of Financial Performance	(65 823)	(25 759)
Reversal of impairment loss previously recognised in the Statement of Financial Performance	9 321	27 080
Impairment loss recognised in the Statement of Changes in Net Assets	(934)	(53)
Revaluation recognised in the Statement of Changes in Net Assets	34 715	45 191

Fleet at Valuation

	339 113	348 970
Valuation		
	339 113	348 970
Accumulated depreciation		
	-	-

If the fleet was still measured using the cost model, the carrying amounts would have been as follows:

At Cost	782 483	714 309
Accumulated depreciation	(621 696)	(481 681)
Net book value	160 787	232 628

Number of vehicles at the end of the year

2 564	3 169
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

5.3 Property, Plant & Equipment (*continued*)

5.3.2 Vehicle Fleet (*continued*)

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.

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 (2015: 8 vehicles with a cost price of R2.1 million and a book value of R1.0 million).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	31 March 2016 R'000	31 March 2015 R'000
5.3.3 Road Building Equipment		
Opening balance – 1 April	143 093	143 430
Valuation	143 093	143 430
Accumulated depreciation	-	-
<u>Movements:</u>		
Additions	-	1 948
Capitalised costs	2 865	6 712
Disposals	(2 913)	(464)
Depreciation expense	(13 376)	(12 548)
Annual revaluation of road building equipment fleet	7 069	4 015
	(902)	(1 052)
Impairment loss recognised in the Statement of Financial Performance		
Reversal of impairment loss previously recognised in the Statement of Financial Performance	1 834	1 426
Impairment loss recognised in the Statement of Changes in Net Assets		
Revaluation recognised in the Statement of Changes in Net Assets	(85)	(404)
	6 222	4 045
Fleet at Valuation	136 737	143 093
Valuation	136 737	143 093
Accumulated depreciation	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

5.3 Property, Plant & Equipment (*continued*)

5.3.3 Road Building Equipment (*continued*)

Revaluation

As at 31 March 2016 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 31 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 R66 725 (Vehicle Fleet: R65 823; Road Building Equipment: R902) [2015: R26 811 (Vehicle Fleet: R25 759; Road Building Equipment: R1 052)] 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 R0.9 million (Vehicle Fleet: Rnil; Road Building Equipment: R0.9 million) [2015: R1.7 million (Vehicle Fleet: R1.3 million; Road Building Equipment: R0.4 million)] 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 2016

	31 March 2016	31 March 2015
Notes	R'000	R'000
5.4.1 Trade and Other Receivables from Exchange		
Transactions		
Staff debtors	27	12
Trade Receivables	198 854	166 115
Less: Provision for bad debts	5.4.1.1 (50 592)	(51 871)
	148 289	114 256

5.4.1.1 Allowance for Doubtful Debt

Individually and collectively impaired:

At 1 April	51 871	15 368
Charge for the year	-	36 503
Utilised	-	-
Reversed	(1 279)	-
At 31 March	50 592	51 871

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

5.4.1 Trade and Other Receivables from Exchange Transactions (*continued*)

5.4.1.1 Allowance for Doubtful Debt (*continued*)

At 31 March 2016, 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
2015	114 256	68 788	6 414	4 231	34 823
2016	148 289	36 695	14 573	7 062	8 135

At 31 March 2016, the age analysis of trade and other receivables provided for as impaired is as follows:

Year	Total R'000	> 120 days R'000
2015	51 871	-
2016	50 592	81 825

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	31 March 2016 R'000	31 March 2015 R'000
5.5 Cash and Cash Equivalents			
Cash at Banks		172 920	280 781
Cash on Hand		8	8
Cash investments		87 351	-
		260 278	280 789

Cash at banks earns interest at floating rates based on daily bank deposit rates.

For the purpose of the cash flow statement, cash and cash equivalents comprise the following at 31 March:

Cash and Cash Equivalents at the end of the period	260 279	280 789
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	Notes	31 March 2016 R'000	31 March 2015 R'000
5.6 Payables from Exchange Transactions			
Trade Payables		63 970	17 022
Accrued Expenses	5.6.1	29 114	18 016
		93 085	35 037

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).

Opening Balance	18 016	11 984
Add: Tariffs charged	18 752	15 309
Less: Expenses incurred	(7 650)	(9 281)
Closing Balance	29 116	18 016

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	Notes	31 March 2016 R'000	31 March 2015 R'000
5.7 Employee Benefits			
<i>Short-term employee benefits:</i>			
<i>Leave Pay Provision:</i>			
Balance at the beginning of the year		8 804	9 130
Amount provided for during the year		146	(326)
Balance at the end of the year		8 950	8 804
<i>Performance Bonus Provision:</i>			
Balance at the beginning of the year		773	723
Amount provided for during the year		45	50
Balance at the end of the year		818	773
<i>Bonus Accrual:</i>			
Balance at the beginning of the year		1 539	1 480
Amount accrued during the year		-	59
Unused amounts reversed		(25)	-
Balance at the end of the year		1 514	1 539
Total:		11 282	11 116

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

5.7 Employee Benefits (continued)

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:

- a) The total number of days due to every employee at the year-end; and
- b) 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.

31 March 2016 R'000	31 March 2015 R'000
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5.7.1 Long Service Awards Provision

Balance at the beginning of the year	2 231	2 014
Interest cost	192	186
Current service cost	172	107
Transferred to current portion	(62)	(210)
Benefits paid/(expected)	(55)	-
Actuarial (Gains)/Losses	(794)	134
	1 685	2 231
Non-current	1 685	2 231
Current	272	210
	1 957	2 441

Key assumptions used

Inflation rate	5.31%	5.90%
Expected retirement age (years)	65	65
Government bonds yield (discount rate)	10.16%	7.88%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

5.8 Operating Expense Provision

Carrying amount at the beginning of the year	75 979	-
Increase/(decrease) in Provision	(75 979)	75 979
Carrying amount at the end of the year	-	75 979

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.

5.9 Prior Period Errors

Security services incorrectly not accounted for

During the 2016 financial year it was discovered that expenditure relating to the 2015 financial year was incorrectly accounted for in the 2015 financial year. It was also noted that expenditure was incorrectly classified in the 2015 financial year.

This error was corrected retrospectively.

Correcting the prior period error had the following effect on the comparative information:

	31 March 2015 R'000
Increase in Trade Payables	(143)
Increase in Safeguard and Security	361
Decrease in Salaries and Wages	(218)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

5.9 Prior Period Errors (*continued*)

Incorrect labour related cases calculation

During the 2016 Financial Year it was discovered that an error was made in the contingent liability calculation relating to the Labour Related Case.

This error was corrected retrospectively.

Correcting the prior period error had the following effect on the comparative information disclosed:

	31 March 2015 R'000
Decrease in Contingent Liability disclosure figure	(162)

Change to disclosure of related party balances and transactions

During 2016 it was decided that only non-arm's length transactions and balances of related parties should be disclosed.

This disclosure was corrected retrospectively.

Correcting the prior period error had the following effect on the comparative information disclosed:

	31 March 2015 R'000
Decrease in related party balances	(32)
Decrease in related party transactions	(153)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	31 March 2016 R'000	31 March 2015 R'000
5.10 Cash Generated from Operations		
Surplus for the Period	(24 174)	55 848
Adjusted for:		
Impairment loss / Valuation (Gain) – Vehicle Fleet and Road Building Equipment	-	
Depreciation - Vehicle Fleet and Road Building Equipment	55 570	(1 695)
Depreciation - Office Equipment, Furniture and Tools	140 277	103 730
Provision for bad debts	626	544
Long Service Awards Provision	(1 279)	-
Performance Bonus Provision	(485)	229
Operating Expense Provision	21	50
Stolen vehicle recovered	(75 979)	112 532
Thefts & losses	-	(129)
Profit on disposal of Property, Plant & Equipment	181	956
	(5 355)	(6 049)
Other non-cash items	5 770	(5 823)
Operating Profit before Working Capital Changes	95 173	260 193
Working Capital Changes:	24 015	(36 182)
(Increase)/Decrease in Trade and Other Receivables	(34 033)	(42 038)
Increase/(Decrease) in Trade and Other Payables	58 048	5 856
Cash Generated from Operations	119 188	224 011

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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:

2015/2016 financial year

Related Party: Free State Department of Police, Roads & Transport

Transactions	Amount owed by/(to) related party at 31 March 2015	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 2016
	R'000	R'000	R'000	R'000
Renting of vehicles and equipment	-	-	-	-
Licencing fees	-	-	-	-
Purchase of vehicles/ equipment	(400)	540	-	140

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	-	-	-	-
Licencing fees	-	-	-	-
Purchase of vehicles/ equipment	3 400	-	(3 800)	(400)

Refer to note 5.9 for prior period error on disclosure note.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

5.11 Related Parties (*continued*)

No value for this service can be attributed to this transaction.

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 2016:

- ☐ 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:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

5.11 Related Parties (*continued*)

2016

	Basic salary	Bonuses and performance related payments	Housing allowance	Pension and medical aid	Other	Total
Mr SO Nair (Head: Fleet Management)	730	61	-	95	157	1043
Mrs L Dunn-Radile (<i>CFO: Fleet Management</i>)	642	54	-	108	114	917
Mr RL Botha (<i>Director: Fleet Management</i>)	633	53	6	102	110	904
Mr S Modise (<i>Director: Security</i>)	519	52	48	67	187	873
TOTAL	2 524	220	54	372	568	3 738

During the current financial year Mr. MJ Morobe acted as Chief Financial Officer: Fleet Management from November 2015. Mr. R Oosthuizen acted as Director: Fleet Management from October 2015.

2015

	Basic salary	Bonuses and performance related payments	Housing allowance	Pension and medical aid	Other	Total
Mr SO Nair (Head: Fleet Management)	576	15	-	75	124	790
Mrs L Dunn-Radile (<i>CFO: Fleet Management</i>)	609	51	-	103	107	869
Mr RL Botha (<i>Director: Fleet Management</i>)	600	50	6	98	103	857
Mr S Modise (<i>Director: Security</i>)	491	41	48	64	175	819
TOTAL	2 276	157	54	340	509	3 336

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

5.11 Related Parties (*continued*)

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 (2015: R NIL).

5.12 Contingent Liabilities

Legal Cases

At financial year-end, a labour related case amounting to R27.5 million (2015: R20.6 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. Also refer to note 5.9 for a prior period error in the disclosure note.

Housing Guarantees

At the financial year-end, a total of R63 000 (2015: R63 000) 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.

Transit Solution dispute

At financial year-end, a dispute amounting to R5.8 million (2015: Rnil) remained unresolved. The dispute 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 is no possibility of reimbursement for any of the contingent liabilities mentioned above.

31 March	31 March
2016	2015
R'000	R'000

5.13 Commitments

5.13.1 Capital

Capital commitments on 31 March	155 970	77 656
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At 31 March 2016, the Entity had capital commitments principally relating to vehicles 164 (2015: 288 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 (2016/2017), and that the purchase price will be settled at that stage.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

5.13 Commitments (Continued)

	31 March	31 March
	2016	2015
	R'000	R'000

5.13.2 Current

Current commitments on 31 March	1 472	1 225
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At 31 March 2016, 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 (2016/2017), 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 2016.

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*.

Pension Contributions Recognised as Expense	4 494	4 670
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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 2016 and 2015 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.

The following are the contractual maturities of financial liabilities:

At 31 March 2016	Carrying Amount R'000	Contractual cash flows R'000	Within 1 year R'000
Trade and Other Payables	63 970	63 970	63 970

At 31 March 2016	Carrying Amount R'000	Contractual cash flows R'000	Within 1 year R'000
Trade and Other Payables	17 022	17 022	17 022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

5.16 Financial Risk Management Objectives and Policies (*continued*)

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 2016

31 March 2016 R'000	31 March 2015 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	260 278	280 789
Trade and Other Receivables from Exchange Transactions	148 289	114 255

Financial Liabilities at Amortised Cost

Payables from Exchange Transactions	93 087	35 037
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5.18 Irregular Expenditure

Reconciliation of Irregular Expenditure:

Opening balance	44	44
Irregular expenditure current year	15	91
Condoned or written off by Executive Committee	(15)	(91)
Transfer to receivables for recovery-not condoned	-	-
Irregular expenditure awaiting condonement	(44)	(44)
	<u>-</u>	<u>-</u>

Incident	Disciplinary steps/criminal proceedings
Employees received acting allowances for periods longer than 12 months.	Expenditure was written off by the Executive Committee

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

5.19 Operating Lease Receivable (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:

	31 March 2016 R'000	31 March 2015 R'000
Within one year	203 404	190 651
After one year but not more than five years	184 704	181 866
More than five years	2 051	2 881
Total future minimum lease receivable	390 159	375 398



PART G

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