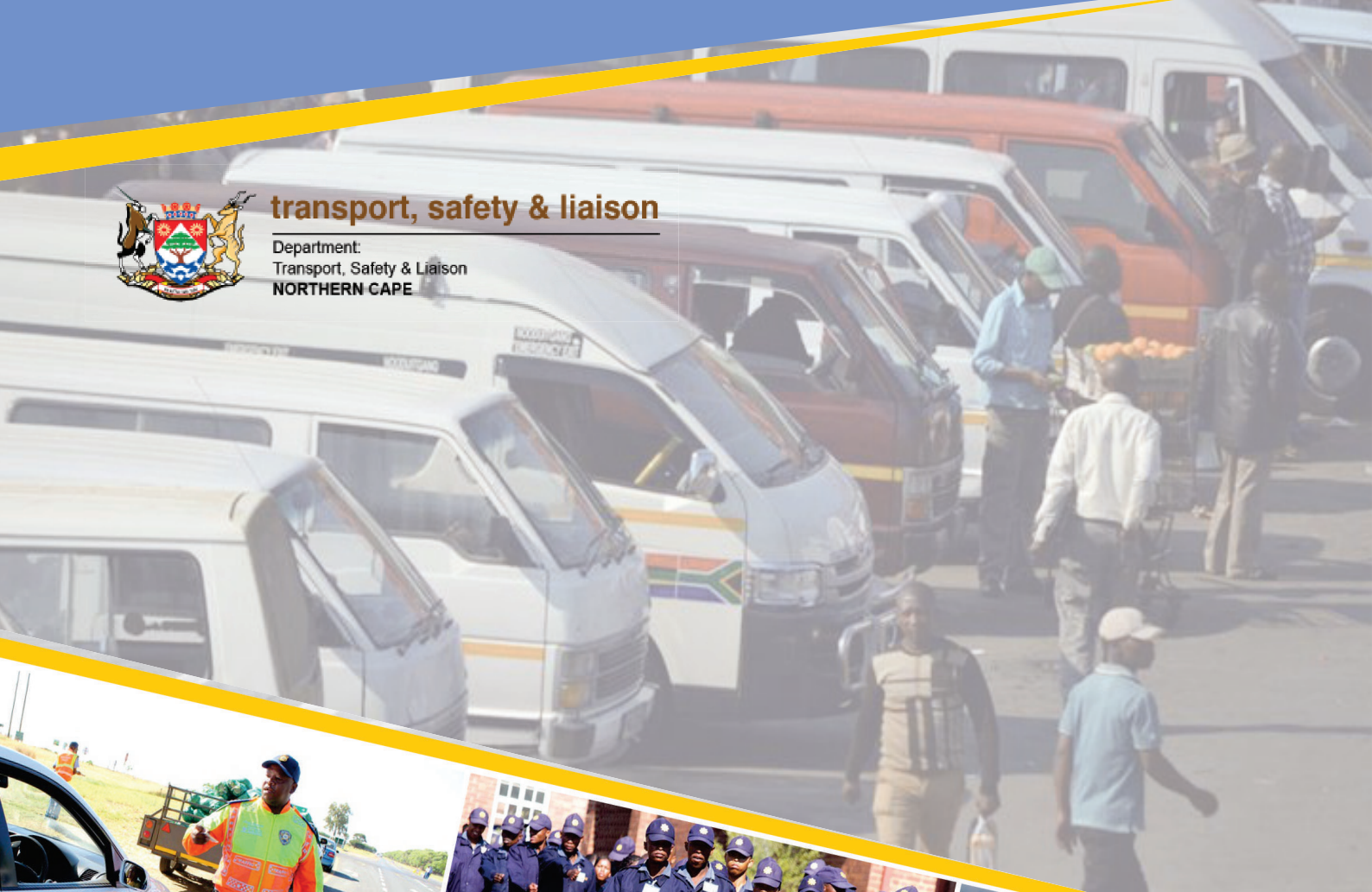




## transport, safety & liaison

Department:  
Transport, Safety & Liaison  
NORTHERN CAPE



# ANNUAL REPORT 2017/18





**DEPARTMENT OF TRANSPORT, SAFETY AND  
LIAISON**

**NORTHERN CAPE PROVINCE**

**ANNUAL REPORT 2017/18**

**VOTE 3**

**NORTHERN CAPE DEPARTMENT OF TRANSPORT, SAFETY AND LIAISON  
ANNUAL REPORT 2017/18**

Honourable Mr LJ Motlhaping MPL  
Executive Authority

I have the honour of submitting the Annual Report of the Northern Cape Department of Transport, Safety and Liaison for the period 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018.



**MR. MP DICHABA**  
**HEAD OF DEPARTMENT**  
**DATE: 31<sup>ST</sup> AUGUST 2018**

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# PART A

## GENERAL INFORMATION





## **1. PART A: GENERAL INFORMATION**

### **1.1. DEPARTMENT'S GENERAL INFORMATION**

Northern Cape Department of Transport, Safety and Liaison

C/O Lennox and Sydney Streets

P O Box 1368

Kimberley

8300

Tel: 053 839 1743

Fax: 053 8391733

[mdichaba@ncpg.gov.za](mailto:mdichaba@ncpg.gov.za)

## 1.2. ACRONYMS

AARTO	Administration of Adjudication of Road Traffic Offences Act
ADC	Animal Drawn Carts
CPF	Community Police Forum
CSF	Community Safety Forum
DLTC	Drivers and Learners Testing Centre
DPSA	Department of Public Service and Administration
DVA	Domestic Violence Act
EPWP	Expanded Public Works Programme
GIS	Geographic Information Specialist
HOD	Head of Department
IDP	Integrated Development Plan
IPID	Independent Police Investigative Directorate
ITP	Integrated Transport Plan
MDG	Millennium Development Goals
MEC	Member of the Executive Council
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NMT	National Monitoring Tool
OTP	Office of the Premier
PCPS	Provincial Crime Prevention Strategy



PGDS	Provincial Growth and Development Strategy
PGITO	Provincial Government Information Technology Officer
PPP	Public Private Partnership
PRE	Provincial Regulatory Entity
SAPS	South Africa Police Services
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
VTC	Vehicle Testing Centre



### 1.3. FOREWORD BY THE MEMBER OF THE EXECUTIVE COUNCIL



The Department of Transport, Safety & Liaison has come to the closure of yet another year of serving the people of the Northern Cape. At the heart of our promise to our people are programmes to keep our communities and roads safe, as well as to promote the rise of a developmental transport economy that boosts the budding entrepreneur just as it provides efficient and regulated transport systems.


Our focus has been on ensuring that we keep up with providing Learner Transport up until the point that it has been migrated to the Department of Education. It is my sincere hope that, with our support, they will be able to not only continue but improve on key challenges to ensure learners are transported to school in a safe and reliable manner.

We continue to be strained when it comes to law enforcement on our roads, but we were able to, with cooperation and targeted programmes, establish great reach in our big province to ensure our roads are safe. We have, yet again, experienced increased volumes of road users which, with no increase in traffic officers, provide a distinct challenge in ensuring our visibility on especially roads that were identified as high accident zones, while maintaining an overall law enforcement presence.

The Department has finalized its Provincial Crime Prevention Strategy, which will go a long way in defining not only how we shall approach crime in our province, but also how we may understand it. Research has found that it is way more effective to not only address crime itself but also the causes of crime. Our understanding of crime and patterns of occurrence will better position us to find intelligent and socially conscious ways of preventing it.

As ever, we acknowledge that none of our interventions will ever be possible or meaningful without the support and collaboration of our valued stakeholders, who are made up of government departments, units within law enforcement, NGO's, CBO's, civil society formations and community policing structures. The Department is constantly trying to find ways of maintaining and improving our relationships for safer communities.

It has become clear that new and innovative solutions are required in how we approach policing which is fundamentally community oriented, informed and directed. Community



Policing Forums remain the core vehicle through which we can increase cooperation and interaction with the criminal justice system at the base level. It is here that we come to understand the specific needs of our communities and where we deliver targeted crime prevention projects. The Department of Transport, Safety & Liaison will rededicate itself to understand the nature and people's experience of crime and its effects, to develop a policing system that is responsive, informed, collaborative and responsible.


We are proud of our Civilian Oversight team who continues to roll out safety programmes across different sectors in society. We have a standing commitment to address violence against women, children, the youth and unemployed people whom we reach in communities, in schools, colleges, correctional facilities and places of safety.

Last year we extended the definition of our vulnerable groups to include the Lesbian, Gay, Bisexual, Transgender, Intersex (LGBTI) community in a bid to promote understanding and improved protection for a sector at the fringes of our society, prone to unemployment, poverty, stigma, discrimination and violence. Going forward we need to address, with targeted programmes, violence due to socially constructed norms of masculinity and femininity and discriminatory religious and cultural beliefs around gender and sexual orientation in a space with little or no support from law enforcement mechanisms of the state.

Seven (7) Municipalities were assisted with the development of Integrated Transport Plans to ensure compliance with the National Land Transport Act as well as to improve service delivery in these areas. The sidewalk between Bergsig and Springbok as well as the fencing of the Springbok Taxi Rank are projects that sprouts from integrated transport planning. These projects are phased projects that are implemented through the Expanded Public Works Programme to promote job creation.

Another victory for us is the establishment of the Provincial Transport Forum in November 2017. With integrated and collaborative planning we are so much better placed to address challenges in the transport industry as well as to improve compliance and promote a tighter, regulated sector. We have also seen a successful Women in Transport Awards ceremony that seeks to recognize outstanding achievements of women in the Northern Cape transport industry.

The Department assisted the SANTACO Women's Desk with their Regional Elections – we now have a women's desk structure in every region. We have also assisted SANTACO and SANTACO Women's Desk with their Provincial Elective Conference that took place in November 2017.



The Namakwa, John Taole Gaetsewe and ZF Mcgawu regions saw the distribution of 236 Shova Kalula bicycles. These bicycles are distributed to qualifying learners to ensure they are at school on time.

All things considered, we have had a year with both challenges and lessons. As an organization we are continuously learning, based on our past experience, research and monitoring and evaluation of key programmes. We have, for example, a very complex road safety environment that is continuously influenced by changing demographics, economics, social, geographic and infrastructure issues. It is astounding just how one year differs from another, with regard to all the variables that influence both our ability to police and road use patterns.

It is only through our commitment to an ever changing environment, at all levels, that we are able to stay in tune with safety needs in all our communities. We are all affected by lawlessness on our roads and in our towns and as such we all have a responsibility to co-create safer spaces. Let us continue in this collaborative spirit to achieve successively better results, year by year.



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**MR L MOTLHAPING MPL**  
**MEC: TRANSPORT, SAFETY AND LIAISON**  
**DATE: 31<sup>ST</sup> AUGUST 2018**

#### 1.4. REPORT OF THE ACCOUNTING OFFICER



I herewith present the Annual Report of the Department as per Section 40(1)(d) of the Public Finance Management Act 1 of 1999.

While 2017/18 has been characterised by several challenges, some of which were brought to bear through a changing international environment and some through domestic policy uncertainty, the Department has continued to make steady progress towards the goals outlined in the Strategic Plan. Furthermore pressure was brought to bear, on the Department's budget, due to the reduction of the budgetary baseline, as a result of previous over-expenditure being recovered.


The Department's efforts for optimal collection of revenue, have begun to take root, sustainably so, through the eventual breakthrough of the Department to have the ten (10) sites of the South African Post Office (SAPO) conduct the service for renewal of motor vehicle license renewal.

The Department reviewed its Strategic Plan to ensure that related departmental decision making is aligned with the Departmental Strategic Goals to enhance integrated planning and effective cooperative governance as well as strengthen the strategic, tactical and operational response to the 2015/16 – 2019/20 Strategic Plan.

Empowerment remains high on the Department's development agenda and it cuts across all functions and programmes. In the year under review a total of one hundred and ninety (190) officials received training in various fields according to the Workplace Skills Plan. A total of twenty two (22) staff members received support through the Staff Bursary Scheme

As part of our empowerment process towards the community, the Department entered into internship and learnership agreements with sixteen (16) interns. And through the Expanded Public Works Programme (EPWP) which aims to provide short term work opportunities the Department with a budget of R2,510 million empowered a total of one hundred and four (104) community members. For the 2018/19 financial year one hundred and fifty five (155)





EPWP Safety Participants will be implementing the social crime prevention programmes and also assisting in the monitoring of learner transport safety in the province.

Subsidised public transport is a fundamental element of the Public Transport System that must function effectively if we are to improve the lives of commuters and increase their participation in the economic, social and educational life of our Province. The Department continued to drive efforts to improve public and non-motorised transport in the Northern Cape in the year under review. We have also continued to effectively manage and monitor subsidised bus operations through the Public Transport Operations Grant (PTOG).

The Department further supported seven (7) district and local municipalities to develop their integrated transport plans (ITP's) over the financial year. In doing so we have contributed to the development of the municipal Integrated Development Plans.

The function of scholar transport has been successfully relocated to the Department of Education. This process was not without its "hick ups", however there was no disruption to the services offered to the learners with all qualifying learners still receiving transportation to the designated schools.

Bad road user behaviour continued to be addressed in order to save lives on our roads. Road safety education and communication campaign were launched in an attempt to impact on how drivers, passengers and pedestrians use the road environment. All of us have to take collective responsibility for our actions and learn to respect one another.

The department derives its mandate for a crime free Northern Cape directly from the Constitution with a very important oversight role to lay. We believe that safety is everyone's responsibility and that we can adequately assist our brave police officers and various law enforcement agencies operating in the Province through a whole-of-society activation along strategic partnerships and targeted interventions to enable safer environments for all communities in this vast province.

We continue to engage SAPS concerning the full implementation of recommendations made during the over-sight visit of police stations as well as IPID recommendations and we hope to see an improvement on both policing inefficiencies and the relationship between the community and the South African Police Services with positive service delivery impacts for the Province.

The successes of the Department is a shared success with each and every one who contributed. I wish to thank every staff member under the leadership of the Senior

Managers for their hard work and selfless service to the people of the Province. And to this end I urge the people of the Northern Cape to partner with the Department on the various programmes and initiatives we have to offer.

#### OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

Departmental Receipts	2017/18				2016/17		
	Estimate R'000	Actual Amount Collected R'000	(Over)/Under Collection R'000		Estimate R'000	Actual Amount Collected R'000	(Over)/Under Collection R'000
Tax Receipts							
Casino taxes							
Horse racing taxes							
Liquor licences							
Motor vehicle licences	212 000	192 970	19 030		178 292	182 038	(3 746)
Sale of goods and services other than capital assets	16 990	24 934	(7 944)		15 947	29 273	(13 326)
Transfers received							
Fines, penalties and forfeits	2 358	924	1 434		2 223	1 518	705
Interest, dividends and rent on land							
Sale of capital assets							
Financial transactions in assets and liabilities	123	901	(684)		117	460	(343)
<b>Total</b>	<b>231 471</b>	<b>219 735</b>	<b>11 830</b>		<b>196 579</b>	<b>213 302</b>	<b>16,710</b>


## PROGRAMME EXPENDITURE

Programme Name	2017/18			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	85 086	80 516	4 570	81 883	76 963	4 920
Civilian Oversight	24 310	24 165	145	24 241	24 188	53
Crime Prevention and Community Police Relations	214 492	212 070	2 422	186 463	184 686	1 777
Transport Operations	93 658	93 533	125	82 339	82 317	22
Transport Regulations	<b>417 546</b>	<b>410 284</b>	<b>7 262</b>	<b>374 926</b>	<b>368 154</b>	<b>6 772</b>
<b>Total</b>	85 086	80 516	4 570	81 883	76 963	4 920

The Northern Cape Provincial Administration prides itself with being able to derive optimal benefit, albeit from a sparse revenue base. Through the proper structuring of our activities and plans, chief among which is the process of Motor Vehicle License (MVL) renewals, there continues to be a strive towards improvement of the management of the function, both to the benefit of the community, as well as to provide the Administration with much-needed revenue, to be able to render essential community safety- and transport services, in the Province.

The vision, for the South African Post Office (SAPO) to bring in much-needed efficiency, greater reliability, long-term sustainability and much-needed relief to the Province, took effect on June 1<sup>st</sup>, 2017, when SAPO commenced operations, at the first ten (10) SAPO sites.

Immediately, significant impact was noticeable, with greater compliance and reporting being provided by SAPO, truly transforming the relationship from an often unreliable and strained one, to a more amicable and approachable partnership, with receptiveness and professionalism. It is envisaged for the rollout to SAPO sites, to be concluded by September 2018.



The new relationship, once concluded, will bring to an end the serial under-collection, previously experienced and endured, to one wherein clear disclosure and accountability are practised, with more assured realisation of projected collection of Government taxes.

For the 2017/18 financial period of review, however, the Department has under-collected on its projected revenue collection, by an amount of R19 million (8.97%), on MVL renewals and by a gross amount R11,8 million, overall. This is attributable to the non-effectiveness of the relationship with municipalities, which was fraught with lack of co-operation and compliance with the terms and conditions of the service level agreement.

The Windfarm Project, focused on Loeriesfontein and De Aar, brought in a significant amount of revenue of R14,9 million, as well as continued recovery of arrears on motor vehicle license renewal, to lead to an over-collection of R8 million, on the Sale of Goods & Services.

With respect to expenditure management, the Department spent R410,2 million (98,3%) of its allocation, including an amount of R123,9 million (98,9%) on Scholar Transport.

The Department faces significant risks to its allocative baseline, based in the main, on the threats of:

- Reduction of the allocative baseline, due to accumulated unauthorised expenditure, to the value of R4,6 million;
- Need to rollover an amount of R4,7 million, for unspent allocation granted for the rollout of the SAPO project, in the process losing-out on R19 million, due to the lack of co-operation, by municipalities, with them holding back on funds collected by themselves, intended for the Provincial Revenue Fund.

Careful consideration will have to be made, especially in view of the need to bolster the Department's monitoring capabilities, over the Provincial function of the South African Police Services, as well the expansion of the public transport services, especially in the unserved areas of the Pixley ka Seme District.

Continued engagements with Provincial Treasury will be taken forth, in the lead-up to the Provincial Medium Term Expenditure programme, as well as the National Treasury engagements with the Province, during July/August 2018, to find a more permanent and sustainable solution.



## **FUTURE PLANS OF THE DEPARTMENT**

There will be a dedicated focus on Community Outreaches to mobilise communities to become active participants in the prevention of crime. Youth, currently the bulk of victims and perpetrators of crime in the Province, will be capacitated through dialogues and discussion sessions to take ownership in creating safe and secure communities. Advocacy on responsible drinking and trading will remain a priority as alcohol continues to be the main contributing factors towards violence.


The Department will continue to put in place projects that will change attitudes and behaviours of all road users – drivers, passengers and pedestrians, including education of youth so that when they become drivers, they become part of a compliant, law-abiding society. Continued compliance with prescripts at our driver license and vehicle testing centres will result in reduced corrupt activities and where corruption is identified the department will take the requisite action. The continued promotion of “ARRIVE ALIVE” as a beneficial over-arching policy to save lives, improve safety, reduce the “culture of impunity” of poor drivers, identify repeat offenders and be of benefit to the community as a whole is of paramount in the plans of the department. Education remains the key ingredient in creating awareness amongst road users and therefore together through the Department of Education, radio and education projects the department will reach the most vulnerable.

## **NEW OR PROPOSED ACTIVITIES (IF ANY)**

The expansion of the service of the License and Permit Office to John Taolo Gaetsewe and ZF Mgcawu Districts is imminent. The expansion of the subsidized service to the Pixley Ka Seme Region (between Van Der Kloof and De Aar) will be finalized and implemented in the new financial year thus ensuring that the department upholds its commitment to the provision of services to the community. Furthermore the department will also embark on the update of the Northern Cape Provincial Freight Data Bank.

## **CONCLUSION**

As the Head of Department I am pleased with the work that has been done over the past year in the realisation of the Departmental Vision and Mission. This has been done collectively and by ensuring that the limited resources are directed to where they are most required.

  
MR. MP DICHABA  
HEAD OF DEPARTMENT  
DATE: 31<sup>ST</sup> AUGUST 2018

## **1.5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT**

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

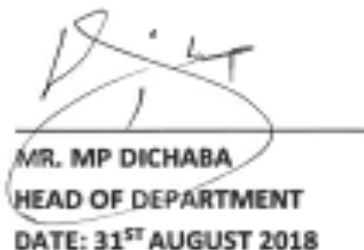
The Annual Financial Statements (PART E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

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

The Accounting Officer is responsible for establishing, implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2018.

  
MR. MP DICHABA  
HEAD OF DEPARTMENT  
DATE: 31<sup>ST</sup> AUGUST 2018

## 1.6. STRATEGIC OVERVIEW

### VISION

A leader in the creation and coordination of safe, secure and sustainable transport and policing systems for a crime-free Northern Cape Province.

### MISSION

To enable a safe and secure environment and mobility for the community of the Northern Cape through:

- Good Corporate Governance, Management, Administration and Support
- Establishing and supporting community safety partnerships
- Monitoring and oversight of the police
- Facilitating and coordinating social crime prevention and road safety programmes
- Educating, enforcing and administering road traffic legislation
- Liaison with all relevant stakeholders, role-players and clients pertaining policing, safety and security
- Regulated and integrated transport modes which are economically and environmentally sustainable

### VALUES

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

- Service Excellence through Batho Pele
- Mutual Respect and Trust
- Integration of effort - between agencies, local authorities, Government Departments and other stakeholders
- Teamwork – working together and building a spirit of co-operation
- Knowledge Application - courage to learn, change and innovate
- Professionalism, honesty and integrity
- Shared vision, communication, consultation and sharing of ideas and information, commitment and teamwork
- Accountability, transparency, compliance and meeting of deadlines
- Pro-active thinking and approach
- Motivation as an integral function of all managers, consistently giving recognition, acknowledgement and feedback
- Unity in diversity, representivity and equity
- Culture of tolerance, mutual respect, trust, honesty, loyalty, patriotism, positive attitude
- Adherence to the Public Service Code of Conduct and self-discipline.

## **1.7. LEGISLATIVE AND OTHER MANDATES**

The Department of Transport, Safety and Liaison mandate is derived from the Constitution of the Republic of South Africa, 1996 (herein referred to as the Constitutions). Certain mandates are concurrent responsibilities, whilst others are exclusively the responsibility of the provincial government. The mandates and legislation are outlined in this section.

### **1.7.1. Constitutional mandates**

**In terms of Schedule 4, Part A of the Constitution read with other legislation, the DTSL is concurrently responsible for the following functional areas of legislative competence:**

- Public Transport (the concurrent national department is the Department of Transport);
- Vehicle Licensing (the concurrent national department is the Department of Transport);
- Road traffic regulation (the concurrent national department is the Department of Transport);
- Oversight over policing (the concurrent national department is the National Secretariat for Police)

**Provincial governments have been assigned a number of policing functions and duties within Chapter 11 of the Constitution as set out below:**

- To determine the policing needs and priorities for the province as per Section 206(1) read with Section 206(2)
- To monitor police conduct as per Section 206(3)(a)
- To oversee effectiveness and efficiency of the police and the community as per Section 206(3)(c)
- To assess the effectiveness of visible policing as per Section 206(3)(d)
- To liaise with the Cabinet Member responsible for policing with respect to crime and policing in the province as per Section 206(3)(e)
- To investigate or appoint a commission of inquiry into, any complaint of police inefficiency or a breakdown in relations between the police and community as per Section 206(5)(a)
- To consider and refer complaints to the Independent Police Investigative Directorate (IPID) and to monitor the investigation of such complaints as per Section 206(6)
- To require the Provincial Commissioner (SAPS) to appear before the provincial legislature or any of its committees to answer questions as per Section 206(9)
- To receive and consider the annual report on policing in the province from the Provincial Commissioner as per Section 207(5)
- To consider and institute appropriate proceeding against the Provincial Commissioner if the provincial executive has lost confidence in that Provincial Commissioner as per Section 207(6)

### 1.7.2. Legislative Mandates

In the main the following national and provincial legislation guides the DTSL in the discharge of its responsibilities:

Function	Legislation
Transport	<p><b>Administrative Adjudication of Road Traffic Offences Act, 1998 (Act 46 of 1998) (AARTO)</b></p> <p>Promotes road traffic quality by providing for a scheme to discourage road traffic contraventions, to facilitate the adjudication of road traffic infringements, to support the prosecution of offenders in terms of national and provincial laws relating to road traffic, to implement a points demerit system, to provide for the establishment of an agency to administer the scheme, to provide for the establishment of a board to represent the agency, and to provide for related matters.</p>
	<p><b>National Land Transport Act, 2009 (Act 5 of 2009) (NLTA)</b></p> <p>Provides for the process of transformation and restructuring of the National Land Transport System initiated by the National Land Transport Transition Act, 2000 (Act 22 of 2000), through:</p> <ul style="list-style-type: none"> <li>• The formulation and implementation of provincial land transport policy and Strategy;</li> <li>• The planning, coordination, and facilitation of land transport functions;</li> <li>• Collaboration between municipalities; and</li> <li>• Liaison with other government departments.</li> </ul>
	<p><b>National Road Traffic Act, 93 of 1996</b></p> <p>The object of this Act is to provide for road traffic matters which shall apply uniformly throughout the Republic and for matters connected therewith.</p>
	<p><b>Road Traffic Management Corporation Act, 1999 (Act 20 of 1999)</b></p> <p>Provides, in the public interest, for cooperative and coordinated strategic planning, regulation, facilitation, and law enforcement in respect of road traffic matters by the national, provincial, and local spheres of government; regulates the contracting out of road traffic services; provides for the phasing in of private investment in road traffic and, to that end, provides for the establishment of the Road Traffic Management Corporation and related matters.</p>
Civilian Secretariat	<p><b>Civilian Secretariat for Police Act, 2 of 2011</b></p> <p>The Act gives effect to Section 208 of the Constitution by establishing the Civilian Secretariat to function under the direction of the National Minister of Police. The DTSL is mandated, under the auspice of the Provincial Secretariat, as per section 17 of the Civilian Secretariat for Police Act to “establish competencies and capabilities in its operations, to:</p> <ul style="list-style-type: none"> <li>• Monitor and evaluate the implementation of policing policy in the province;</li> <li>• Evaluate and monitor police conduct in the province;</li> <li>• Develop and evaluate safety models and monitoring tools to ensure alignment with the functions of the civilian secretariat;</li> </ul>

Function	Legislation
	<ul style="list-style-type: none"> <li>• Assist the civilian secretariat with any monitoring and evaluation projects;</li> <li>• Promote community police relations;</li> <li>• Establish and promote partnerships; and</li> <li>• Manage the enhancement of community safety structures with the province</li> </ul>
<b>Transversal</b>	<p><b>Basic Conditions of Employment Act, 1997 (Act 75 of 1997)</b> To give effect to fair labour practices referred to in section 23(1) of the Constitution by establishing and making provision for the regulation of basic conditions of employment, and thereby to comply with the obligations of the Republic as a member state of the International Labour Organization.</p>
	<p><b>Control of Access to Public Premises and Vehicles Act, 1985 (Act 53 of 1985)</b> Provides for the safeguarding of certain public premises and vehicles and for the protection of the people therein or thereon, and for related matters.</p>
	<p><b>Division of Revenue Act (Annual)</b> An annual Act of Parliament which provides, inter alia, for the equitable division of revenue anticipated to be raised nationally among the national, provincial, and local spheres of government and for Conditional Grants to provinces to achieve government's policy objectives. It further promotes predictability and certainty in respect of all allocations to provinces and municipalities so that such governments can plan their budgets over a multi-year period.</p>
	<p><b>Employment Equity Act, 1998 (Act 55 of 1998)</b> Aims to achieve equity in the workplace by promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination and implementing affirmative action measures to redress the disadvantaged in employment experienced by designated groups in order to ensure equitable representation in all occupational categories and levels in the workforce.</p>
	<p><b>Labour Relations Act, 1995 (Act 66 of 1995)</b> Enables the DTPW to advance economic development, social justice, labour peace, and the democratisation of the workplace.</p>
	<p><b>Occupational Health and Safety Act, 1993 (Act 85 of 1993)</b> Requires DTSL, as custodian and regulator of the built environment, to ensure that all buildings and irrespective of whom it is undertaken by, complies with this legislation and that the structures remain compliant throughout their life cycle.</p>
	<p><b>Promotion of Access to Information Act, 2000 (Act 2 of 2000) (PAIA)</b> PAIA fosters a culture of transparency and accountability in public and private bodies by giving effect to the right of access to information (provided by Section 32 of the Constitution) and actively promoting a society in which people have effective access to information to enable them to more fully exercise and protect all their rights.</p>



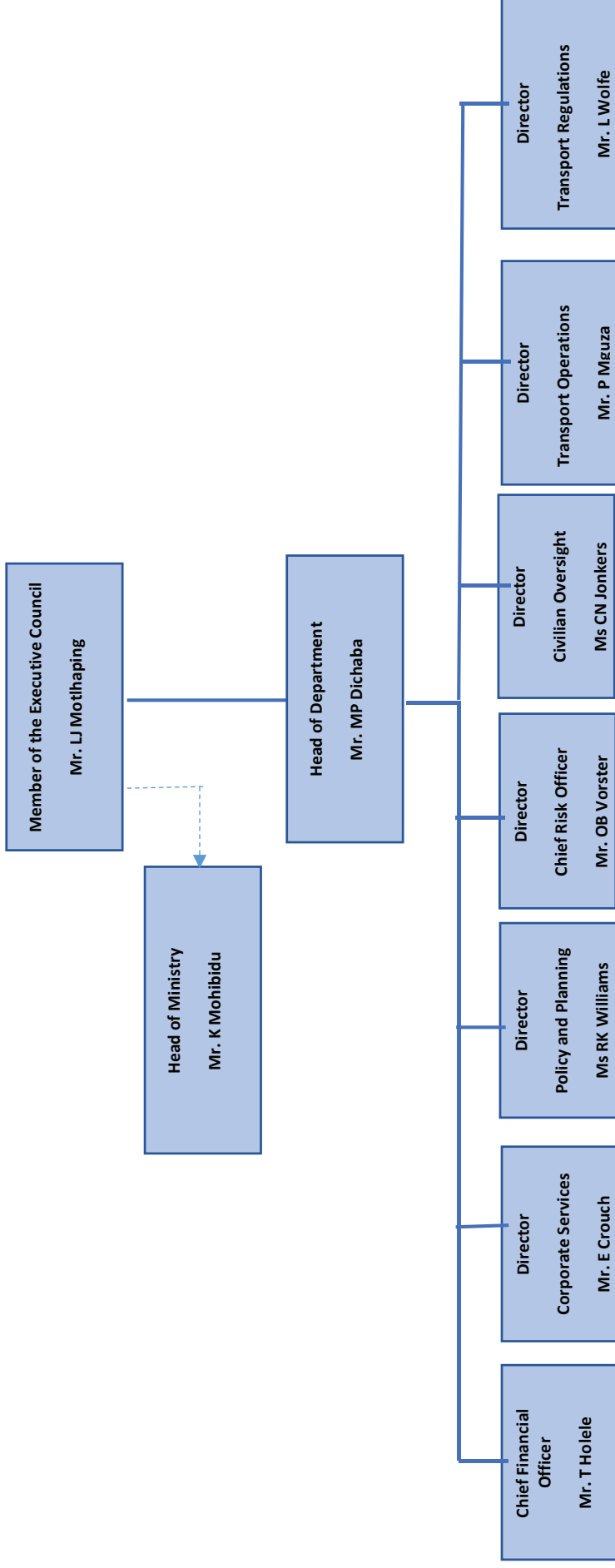
Function	Legislation
	<p><b>Promotion of Administrative Justice Act, 2000 (Act 3 of 2000) (PAJA)</b></p> <p>Gives effect to Section 33 of the Constitution which provides that everyone has the right to administrative action that is lawful, reasonable, and procedurally fair. Anyone whose rights have been adversely affected by administrative action has the right to be given reasons. PAJA deals with general administrative law and therefore binds the entire administration at all levels of government.</p>
	<p><b>Public Finance Management Act, 1999 (Act 1 of 1999)</b></p> <p>Supports transparency, accountability, and sound management of the revenue, expenditure, assets, and liabilities of DTSL.</p>
	<p><b>Public Service Act, 1994 (Proclamation 103 published in Government Gazette 15791 of 3 June 1994)</b></p> <p>This is the principal Act governing public administration. It provides the administrative and operational framework for government departments by providing guidelines on employment and human resource practices, i.e. Conditions of employment, terms of office, discipline, retirement, and discharge of members of the public service, and related matters.</p>

### 1.7.3. Policy Mandates

Function	Policies
Transport	<p><b>National Public Transport Strategy, 2007</b></p> <p>This strategy has two key thrusts, namely:</p> <ul style="list-style-type: none"> <li>• Accelerated modal upgrading, which aims to provide for new, more efficient,</li> <li>• Universally accessible, and safe public transport vehicles and skilled operators.</li> <li>• Integrated rapid public transport Networks, which aims to develop and optimise integrated public transport solutions.</li> </ul>
	<p><b>National Road Safety Strategy, 2011-2020</b></p> <p>Informs a national coordinated effort to improve education and enforcement regarding poor road use behaviour in line with international best practices and recommendations from the World Health Organization for developing countries.</p>
	<p><b>National Rural Transport Strategy, 2007</b></p> <p>Provides guidance to all three spheres of government on dealing with the mobility and access challenges experienced in rural areas in an integrated, aligned, coordinated manner. Its two main strategic thrusts are promoting coordinated rural nodal and linkage development; and developing demand-responsive, balanced, sustainable rural transport systems.</p>
	<p><b>National Freight Logistics Strategy, 2005</b></p> <p>Reduces inland freight costs through lower system costs that result from increased efficiency, reliability, and lower transit times, thus offering the customer viable modal choices between road and rail.</p>

Function	Policies
Civilian Secretariat	<p><b>National Development Plan 2030</b></p> <p>Role of the Department:</p> <ul style="list-style-type: none"> <li>• The promotion of professional policing (through effective oversight)</li> <li>• Build safety (using an integrated approach)</li> <li>• Build community participation in community safety</li> <li>• Strengthen the criminal justice system</li> <li>• Demilitarise the police service</li> </ul>

## 1.8. ORGANISATIONAL STRUCTURE



## 1.9. ENTITIES REPORTING TO THE MEC

- There are no entities reporting to the MEC



## PART B

# PERFORMANCE INFORMATION



## 2. PERFORMANCE INFORMATION

### 2.1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

Refer to Auditor General's (AGSA) Report (Reporting on other Legal and Regulatory requirements) published as Part E (Annual Financial Statement's) of the department's annual report.

### 2.2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

#### 2.2.1. Service Delivery Environment

The Department has a comprehensive Service Delivery Improvement Plan which is derived from the implementation of the following Legislation: AARTO Act, 1998; National Land Transport Act, 2009 and the Civilian Secretariat for Police Service Act, 2011. To achieve Government goals, the Department uses government's principles of "Batho Pele", which include exercising courtesy in our dealings with the public, setting service standards, increasing access, consultation, openness and transparency, access to information, redress, and proving value for money in public resources.

#### 2.2.2. Service Delivery Improvement Plan

The Department has completed a service delivery improvement plan for the 2015/2018 Cycle. The tables below highlights the service delivery plan and the achievements to date for the financial year 2016/17:

#### 2.2.3. Main Service Provided and Standards

Main Services	Beneficiaries	Potential Customers	Standard of Service	Actual Achievement against Standards
1. Payment of suppliers within 30 days	Service providers (external clients)	Service providers	Satisfactory	<ul style="list-style-type: none"><li>• 10 324 invoices were received during the financial year.</li><li>• 8 574 invoices were paid within 30 days</li><li>• 1 750 invoices were paid after 30 days</li></ul>
2. Leave management	Departmental employees	All departmental employees	Satisfactory	<ul style="list-style-type: none"><li>• 10 513 leave days were utilised during the financial year</li></ul>



Main Services	Beneficiaries	Potential Customers	Standard of Service	Actual Achievement against Standards
				<ul style="list-style-type: none"> <li>• Vacation leave: 7 992</li> <li>• Sick leave: 2 521</li> <li>• A total of 10 310 were captured within the effective date and 203 were captured after the effective date</li> </ul>
3. Assessment of Community Police Forum (CPF) to strengthen and ensure Community Police relations	Community members	Community members	Satisfactory	<ul style="list-style-type: none"> <li>• 32 Community Police Forum (CPF)'s assessed during the financial year</li> </ul>
4. Provision of learner transport	Learners travelling more than 5 kilometres to the nearest school in rural areas	All learners in rural areas of the Northern Cape travelling more than 5 kilometres to the nearest school	Satisfactory	<ul style="list-style-type: none"> <li>• The department provided transport to 24 764 learners</li> </ul>
5. The management and control of registering of transport operators and the issuing of all	Public transport operators and the commuting public	Public transport operators and commuting public	Satisfactory	<ul style="list-style-type: none"> <li>• 10 Provincial Regulatory Entity (PRE) hearings were conducted with a total of 611 applications adjudicated.</li> </ul>



Main Services	Beneficiaries	Potential Customers	Standard of Service	Actual Achievement against Standards
licences and permits required in terms of legislation				

#### 2.2.4. Consultation Arrangements with Customers

Type of Arrangements	Actual Customers	Potential Customers	Actual Achievements
No consultations conducted			

#### Service Delivery Information Tool

Access Strategy	Actual Achievement
<p><b>National Rural Transport Strategy:</b></p> <p>Integrated Sustainable Rural Development Programme (ISRDP) for six rural district Municipalities of which JTG is included.</p>	<ul style="list-style-type: none"> <li>Provision of learner transport for learners who qualify in terms of the Learner Transport Policy.</li> <li>Provision of subsidised public passenger transport in district municipalities; John Taolo Gaetsewe (JTG).</li> </ul>

#### 2.2.5. Complaints Mechanism

Complaints Mechanism	Actual Achievements
Complaints and suggestion box	Available at all Directorates in the Provincial Office and at all our District Offices. No complaints received and dealt with during the financial year

#### 2.2.6. Organisational Environment Restructuring

The Department is in the process of reviewing its organisational structure in order to more effectively deliver on its constitutional and legislative mandates. The service delivery model and organisational functionality assessment have been approved by the Member of the Executive Council. The Department is now conducting work measurement to ensure that posts are scientifically quantified and measured. This will enable the department to ensure that the correct number and level of post is proposed. The new structure is expected to be finalised within the financial year 2018/19. What remains of critical concern is the

implementation of the proposed structure given the limited financial resources at the disposal of the Department.

### Organisational Challenges

- The filling of vacancies
- Review of the organogram
- Staff turnover rate

### Organisational Successes

- Sound policy regulatory strategies and framework

### Resignations / Appointments

- A total of nine (9) employees resigned from the Department alluding to reasons related to their respective personal needs for new and/or different opportunities and ventures.
- No new appointments were made.

### Strikes

- There was one (1) strike (industrial action) during 2017/18.

### Fraud and Corruption

Detail	Year	Number
Open cases as at	1 April 2017	2
New cases		3
Closed cases		1
Referred cases		2
Re-classified cases		0
Open cases as at	31 March 2018	2

### 2.2.7. Key Policy Developments and Legislative Changes

The Department did not draft or introduce any new or amended legislation to the Executive Council or legislature during the reporting period.

The introduction of new functions has and will continue to have a significant impact on the organisational structure and operations of the Department. These include, amongst others the following:

- The implementation of the Civilian Secretariat of Police Service Act, No. 2 of 2011
- The increased need for subsidised transport in the Districts
- The implementation and roll out of the Administration of Road Traffic Offences Act, No. 46 of 1998

### 2.3. STRATEGIC OUTCOME ORIENTED GOALS

STRATEGIC GOAL	PROGRESS
<p>Support and ensure smooth functioning of the Department</p>	<p>The Department's budgetary resource requirements were communicated, through the provincial budget allocative process. Thereafter, these were then liaised with individual programmes, where the needs were then aligned with the resource envelope so finally allocated.</p> <p>Each programme's resources were prioritised as per need level and importance, the must-do's and others.</p> <p>Each programme's spending is discussed and assessed with themselves, on a monthly basis, and reported through appropriate management discussions, where necessary reprioritisations are performed, as may be necessary, throughout the financial period.</p> <p>Programmes' future financial periods resource requirements are aligned, timeously, with sector policy requirements, as well pronounced provincial policy priorities, using a zero-based approach, thus eliminating either non-operational, wasteful resource allocation, or duplication, while acknowledging policy priorities, yet limiting implementation to the level of the resource envelope.</p> <p>Through this approach, the level of services rendered can be sustained, and only expanded when resource allocation has been increased, in order to enable the Department to expand the level of provided services.</p>
<p>Transparent and accountable law enforcement agencies in the Northern Cape by 2020</p>	<ul style="list-style-type: none"> <li>• Civilian Oversight evaluated twenty [21] crime weigh police stations in the province by implementing the National Monitoring Tool to ensure that effective and efficient services are rendered.</li> <li>• Key stations thirty two (32) in the province were audited with the Domestic Violence Act Tool.</li> </ul>
<p>A safe and secure environment in the Northern Cape by 2020</p>	<ul style="list-style-type: none"> <li>• The Provincial Crime Prevention Strategy 2030 was finalised in the 2017/18 financial year and will be launched in 2018/19 financial year.</li> </ul>

STRATEGIC GOAL	PROGRESS
To enable and ensure effective, efficient and safe mobility in the Northern Cape Province	<ul style="list-style-type: none"> <li>• During the 2017/18 financial year 7 (seven) municipalities were assisted with the development of Integrated Plans (ITP's) to ensure compliance with the Act and to improve service delivery.</li> <li>• Monitoring of roadworthiness of public transport services is performed by the Provincial Transport Inspectorate of the Department of a regular basis.</li> <li>• A total of six subsidized Public Transport Contracts were monitored and upheld in three regions</li> </ul>
To reduce road crashes and fatalities on the road by 2019 through effective promotion, coordination and implementation of road traffic and legislation and to further enhance the overall quality of road traffic service by promoting, coordinating and implementing road traffic safety and by managing the process of vehicle registration	<ul style="list-style-type: none"> <li>• Number of speed operations conducted - 1825</li> <li>• Number of vehicle weighed – 46119</li> <li>• Number of drunken driving operations – 1295</li> <li>• Number of vehicle stopped and checked - 204283</li> <li>• Number of road safety programmes conducted – 176</li> <li>• Number of schools involved in road safety education programmes – 119</li> <li>• Number of compliance inspection conducted - 64</li> </ul>

## 2.4. PERFORMANCE INFORMATION BY PROGRAMME

### PROGRAMME 1

**PURPOSE:** To provide strategic, financial and administrative support services to the line functions of the Department.

**STRATEGIC OBJECTIVE:** Overall departmental compliance through effective planning, financial management and corporate support.

#### SUB-PROGRAMME: POLICY AND PLANNING

##### ACHIEVEMENTS FOR 2017/18

- Conducted performance information monitoring sessions with all budget programmes.
- Held departmental strategic planning review session.

## CHALLENGES AND MEASURES TO OVERCOME

CHALLENGES AND CONCERNS	PROPOSED CORRECTIVE ACTION
Late submission of performance information by programmes hampers effective analysis of reports as well as late population of the EQPRS System.	Annual calendar prepared with submission dates as well as requests sent out two week before submission date.

## SUB-PROGRAMME: OFFICE OF THE CHIEF FINANCIAL OFFICER

### ACHIEVEMENTS FOR 2017/18

- Successful migration of the motor vehicle licence renewal function to the ten (10) South African Post Offices.
- Successfully opposed and won the application for summary judgement against the Department in the Arrowhead Properties Ltd matter. Magistrate ordered applicant to pay costs.
- Successfully transitioned from using majority BAS payments system, to the LOGIS system, in line with Treasury instructions.
- Enabled the transfer of the budget, for scholar transport services, from the Department, to the Department of Education, to follow the transfer of the function.
- Utilised internal re-arrangements, to have a dedicated member to focus on financial compliance, annual and interim financial statements, as well as audit action plan, with a view to attain maximum results, from oversight bodies.
- Liaised with other support programmes, to derive maximum co-operation and harmony of support, to service-delivery programmes, in the Department.

## CHALLENGES AND MEASURES TO OVERCOME

CHALLENGES AND CONCERNS	PROPOSED CORRECTIVE ACTION
Departmental Systemic interruptions and delays in processing of payments, for services provided.	<ul style="list-style-type: none"> <li>• Continued liaison with the Treasury Helpdesk, to smooth-out obstacles, in the pipeline;</li> <li>• Liaison with SITA, as the provincial guardians, to establish the cause for the continued gremlins in the System, and to eradicate such.</li> </ul>
Accumulation of irregular, fruitless and wasteful expenditure (IFWE).	<ul style="list-style-type: none"> <li>• Comprehensive submission to Provincial Treasury, for consideration of condonation, as well as to Standing Committee on Public Accounts (SCOPA), as per resolution of meeting in November 2017;</li> <li>• Consequence management, for those who cause and</li> </ul>

CHALLENGES AND CONCERNS	PROPOSED CORRECTIVE ACTION
	allow the occurrence of such IFWE.
Unavoidable unfunded mandates	<ul style="list-style-type: none"> <li>• No unavoidable instruction, without funds, should be carried out without effecting a reprioritisation, first.</li> <li>• This is in a quest to avoid unauthorised expenditure, and its long-term effects on the Department's ability to sustain its community services.</li> </ul>

### SUB-PROGRAMME: CORPORATE SERVICES

#### ACHIEVEMENTS FOR 2017/18

- 18 bursaries awarded to employees for the period under review. 2 bursaries were awarded to external candidates.
- Created a total of 16 internship opportunities
- Long Service Award were held for employees
- Procurement of additional five (5) law enforcement vehicles.

#### CHALLENGES AND MEASURES TO OVERCOME

CHALLENGES AND CONCERNS	PROPOSED CORRECTIVE ACTION
Officials not complying with vetting and screening processes	<ul style="list-style-type: none"> <li>• Permanent employment of an investigator to deal with screening and vetting of applicants and officials</li> <li>• State Security Agency to fast track screening processes to comply with Minimum Information Security Standard</li> </ul>
IT connectivity at District offices	Application for additional funding
Filling of vacant funded posts	Moratorium on posts to be lifted



**Table 1: Strategic Objective Annual Targets for Programme 1**

Strategic Objectives	Strategic Objective Indicator	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation	Comments on Deviation
Overall departmental compliance through effective planning, financial management and corporate support	Clean Audit outcome (Strategic Objective Indicator)	New indicator	Clean Audit	Unqualified Audit	-	-

**Table 2: Annual Targets for Programme 1**

Performance Indicator	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation	Comments on Deviation
Number of Annual Performance Plans submitted and published	1	1	1	-	
Number of Quarterly Performance Reports submitted	4	4	4	-	
Number of Annual Reports submitted and published	1	1	1	-	
Number of In-Year Monitoring reports to Treasury	13	13	13	-	
Number of Interim and annual Financial Statements submitted to Treasury	4	4	4	-	
Number of progress reports on Audit Action Plan	4	4	4	-	
Percentage of women financially assisted through procurement processes	New Indicator	10%	10%	-	
Number of litigation management	4	4	4	-	

Performance Indicator	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation	Comments on Deviation
and risk reports submitted					
Number of Labour Relations databases submitted	12	12	12	-	-
Number of reports submitted on the training and development of staff	4	4	4	-	-
Number of HR Plans reviewed, approved and submitted	1	1	1	-	-
Number of reports on employees assessed according to the EMPDS Policy and SMS Handbook	7	7	7	-	-
Number of reviewed and approved IT Governance policies and plans submitted	5	5	5	-	-
Number of reports on security clearances and preliminary screening submitted	12	12	12	-	-
Number of reports to promote women empowerment, gender equality and persons with disability	New Indicator	4	4	-	-

## **PROGRAMME 2: CIVILIAN OVERSIGHT**

**PURPOSE**– To exercise oversight functions with regard to law enforcement agencies in the Province

**STRATEGIC GOAL 2:** Transparent and accountable law enforcement agencies in the Northern Cape by 2020

**STRATEGIC GOAL 3:** A safe and secure environment in the Northern Cape by 2020

### **ACHIEVEMENTS FOR 2017/18**

- The human trafficking and missing children campaign was successfully launched and implemented with two (2) projects launched in Pofadder and Louisvale Weg.
- Wrenchville Youth Forum was assisted in the launch of the United Youth Centre.
- Men in Action dialogue on abuse of alcohol as one of the root causes of violence was launched in Carnarvon.
- The Men’s Forum was launched in all districts culminating in the Provincial Launch in Mothibistad. This has been a joint venture with the Department of Social Development.
- Pregnant women were educated on the dangers of using alcohol whilst pregnant as this may lead to Foetal Alcohol Syndrome.
- A youth dialogue discussing the dangers of alcohol and substance abuse was held at Lerato Place of Safety.
- Public awareness and information sessions on the prevention of violence against women, children and youth was held.
- The launch of the newly elected Community Policing Board Forum during September 2017.
- Revival of the Ubuntu community safety forum in the Pixley-Ka-Seme District.
- Appointment of one hundred and four (104) EPWP participants appointed.

### **CHALLENGES AND MEASURES TO OVERCOME**

<b>CHALLENGES AND CONCERNS</b>	<b>PROPOSED CORRECTIVE ACTION</b>
Funding of CPF’s to execute their crime prevention programmes	Standardized CPF funding model to be implemented by National Civilian Secretariat
Limited funds for the monitoring and implementation of the Northern Cape Provincial Crime Prevention Strategy	Provincial Development Committee to be used as an avenue for monitoring and implementation of NCPSPS

**Table 3: Strategic Objective Indicator Annual Targets for Programme 2**

Strategic Objectives	Strategic Objective Indicator	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation	Comments on Deviation
To monitor and evaluate SAPS in adhering to statutory requirements and to determine and enhance the status of compliance and service delivery at police stations	Conduct effective oversight over policing in the province	20	20	20	-	-
Provide integrated crime prevention initiatives for safer communities	Safety promotion programmes aimed at vulnerable groupings in our communities	5	5	5	-	-

**Table 4: Annual Target for Programme 2**

Performance Indicator	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation	Comments on Deviation
Number of Research reports on special projects	1	1	1	-	-
Number of Community Safety Research Conducted	9	8	8	-	-
Number of management reports compiled on service delivery complaints against SAPS	4	4	4	-	-
Number of reports compiled on implementation of IPID recommendations by SAPS	4	4	4	-	-

Performance Indicator	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation	Comments on Deviation
Number of reports on the implementation of the National Monitoring Tool recommendations compiled	4	4	4	-	-
Number of police stations monitored and reports compiled	20	20	21	+1	Olifantshoek was not a focused station for the financial year, but due to the outcry from of the community with regard to lack of service delivery, it was assessed with the National Monitoring tool to find the root causes of underperformance
Number of Domestic Violence Act (DVA) compliance reports compiled	4	4	4	-	-
Number of reports on Monitoring and Evaluation Special Projects compiled	1	1	1	-	-
Number of crime prevention programmes implemented	4	4	4	-	-
Number of functional CPF's assessed	22	30	30	-	-
Number of functional CSF's assessed	3	5	6	+1	Additional CSF was assessed in Pixley-Ka-Seme District in conjunction with National Civilian Secretariat

### PROGRAMME 3: TRANSPORT OPERATIONS

**PURPOSE** –To plan, regulate and facilitate the provision of public transport services through co-operation with National and Local Authorities as well as the private sector in order to enhance the mobility of all communities particularly those currently without or with limited access.

**STRATEGIC GOAL 4:** To enable and ensure effective, efficient and safe mobility in the Northern Cape Province.

#### ACHIEVEMENTS FOR 2017/18

- The sidewalk between Bergsig and Springbok as well as the fencing of the Springbok Taxi Rank are projects emanating from the developed Integrated Transport Plans and are being implemented through the EPWP program.
- The Provincial Transport Forum was established in November 2017.
- Distributed two hundred and thirty six (236) bicycles to learners across the province together with a toolbox to each school.
- A successful Women in Transport Awards were held on the 8 of December 2017 to recognize the outstanding achievements of Women in the Northern Cape Transport Industry and to highlight the contribution women make in delivering value to clients and in growing and developing their businesses.
- SANTACO Women’s Desk Regional Elections took place with each District now having a Women Desk Structure in place.

#### CHALLENGES AND MEASURES TO OVERCOME

CHALLENGES AND CONCERNS	PROPOSED CORRECTIVE ACTION
Lack of funds to deal with applications for Operating Licenses in the manner outline in the National Land Transport Act.	Submit clear, informative and convincing bids to PMTEC for sourcing of funds
Lack of funds to appoint External Monitoring firms to consistently perform monitoring on services funded through public transport operations grant.	



Table 5: Strategic Objective Annual Targets for Programme 3

Strategic Objectives	Strategic Objective Indicator	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation	Comments on Deviation
To provide transport systems that are safe, reliable, economical and accessible	Planning authorities assisted with ITP's	7	7	7	-	-

Table 6: Annual Target for Programme 3

Performance Indicator	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation	Comments on Deviation
Number of routes subsidised	65	65	61	4	The routes for two (2) operators were realigned and one (1) contract was terminated.
Number of kilometres subsidised	147 645	1 716 501	1 680 566	35 935	The number of kilometres were affected by the number of realigned routes and terminated contract. These were further affected by the number of trips operated more than 30 minutes late. These trips are regarded as did not operate (DNO) for which penalties were imposed on the operators.
Number of trips subsidised	3 558	40 796	40 502	294	The number of trips were affected by the number of realigned routes and terminated contract. These were further affected by the number of trips operated more than 30 minutes late. These trips are regarded as did not operate (DNO) for which penalties were imposed on the operators.

Performance Indicator	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation	Comments on Deviation
Number of learners subsidized with transport	24 699	24 750	24 764	+14	The number of learners who qualified after verification of learners who qualified according to the policy requirements
Number of comprehensive transport plans submitted	7	7	7	-	-
Number of reports on the two key Infrastructure Projects coordinated	4	8	8	-	-
Number of reports on the promotion of non-motorised transport submitted	4	4	4	-	-
Number of reports on public transport roadworthiness inspections conducted	New Indicator	4	4	-	-
Number of PRE sessions held	22	8	10	+2	Additional hearings conducted to prioritise transfers as a result of sale of businesses and bequeathing of late estates

#### **PROGRAMME 4: TRANSPORT REGULATIONS**

**PURPOSE** –To ensure the provision of a safe road environment through the regulation of traffic on public roads, law enforcement, the implementation of road safety campaigns and awareness programmes and the registration and licensing of vehicles and drivers.

**STRATEGIC GOAL 5:**To reduce road crashes and fatalities on the road by 2019 through effective promotion, coordination and implementation of road traffic and legislation and to further enhance the overall quality of road traffic service by promoting, coordinating and implementing road traffic safety and by managing the process of vehicle registration.

#### **ACHIEVEMENTS FOR 2016/17**

- Intelligence driven road safety strategies were held in collaboration with other law enforcement agencies in the province.
- Various engagements were held with Road Traffic Management Corporation and Road Traffic Infringement Agency to bring awareness to motorist in the Province about the impending implementation of AARTO and the Review of the Traffic environment
- Successful implementation of the Easter and Festive season road safety campaigns which yielded great successes with reduction in road crashes.

#### **CHALLENGES AND MEASURES TO OVERCOME**

<b>CHALLENGES AND CONCERNS</b>	<b>PROPOSED CORRECTIVE ACTION</b>
The decreasing number of Traffic Officers in the Province without filling vacant funded traffic officer posts remains a great concern	Filling of all vacant funded posts of Traffic Officers
Decrease in the budget of the Programme	Request for increased funding during the Provincial medium term expenditure committee

Table 7: Strategic Objective Annual Targets for Programme 4

Strategic Objectives	Strategic Objective Indicator	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation	Comments on Deviation
To reduce road fatalities by providing visible law enforcement, road safety, administration and licencing	Reduction in number of road fatalities	309	272	305	33	<p>The increase in the number of road fatalities is due to the following main contributing factors:</p> <ul style="list-style-type: none"> <li>• Increase in number of vehicles registered in the Province with 23 0355 vehicle licenses issued for the year under review</li> <li>• Shortage of Traffic Officers to police the roads on a 24/7 shift system</li> <li>• Most Accidents occur in municipal boundaries. The following are accidents per district: <ul style="list-style-type: none"> <li>○ <b>ZF Migawu</b> Accidents = 438 Fatal accidents = 37 Fatalities = 56</li> <li>○ <b>John Taolo Gaetsewe</b> – Accidents = 3380 Fatal accidents = 78 Fatalities = 98</li> <li>○ <b>Pixley-ka-Seme</b> Accidents = 792 Fatal accidents = 48 Fatalities = 63</li> </ul> </li> </ul>

Strategic Objectives	Strategic Objective Indicator	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation	Comments on Deviation
						<ul style="list-style-type: none"> <li>○ <b>Frances Baard</b> Accidents = 793 Fatal accidents = 33 Fatalities = 72</li> <li>○ <b>Namakwa</b> Accidents = 651 Fatal accidents = 15 Fatalities = 16</li> </ul>

Table 8: Annual Target for Programme 4

Performance Indicator	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation	Comments on Deviation
Number of speed operations conducted	1 551	1 600	1 779	+179	Intensified speed operations conducted to ensure compliance with speed limits on the road
Number of vehicles weighed	40 000	40 000	47 309	+7 309	More heavy vehicle were weighed to ensure compliance and address overloading that damages our road infrastructure
Number drunken driving operations conducted	1 000	1 000	1 258	+258	Intensified drunken driving operations conducted to ensure the safety of all road users
Number of vehicles stopped and checked	120 000	120 000	195 699	+ 75 699	More stop and check operations conducted to ensure the road worthiness of vehicles on our roads
Number of road safety awareness programmes conducted	150	150	177	+27	More road safety education and awareness programmes conducted to educate road users and to change their attitude towards road safety

Performance Indicator	Actual 2016/17	Target 2017/18	Actual 2017/18	Deviation	Comments on Deviation
Number of schools involved in road safety education programmes	100	100	123	+23	Additional schools were involved in road safety education programmes to ensure road safety awareness of our children and the youth
Number of compliance inspections conducted	60	60	61	+1	Additional compliance inspections were conducted to address the issue of fraud and corruption at Registering Authorities, Driver license testing centres and Vehicle testing stations



### 2.4.1. STRATEGY TO OVERCOME AREAS OF UNDER /OVER PERFORMANCE

PROGRAMME	STRATEGY
Programme 1	<p><b>Policy and Planning</b></p> <ul style="list-style-type: none"> <li>• None</li> </ul> <p><b>Office of the Chief Financial Officer</b></p> <ul style="list-style-type: none"> <li>• Utilise only accredited service providers, to enable the Department to settle claims within the requisite thirty (30) day period;</li> <li>• Liaise with Provincial Treasury, to bolster the database for youth, women and persons with disability, on procurement prospects, for these groups;</li> <li>• Liaison with Department of Economic Development, to expand the potential range for business opportunities, for the identified societal groups, in transport.</li> </ul> <p><b>Corporate Services</b></p> <ul style="list-style-type: none"> <li>• None</li> </ul>
Programme 2	<ul style="list-style-type: none"> <li>• Presentations on the concept of Community Safety Forums were delivered at the various Intergovernmental Relation (IGR) Forums to the municipalities. This to encourage municipalities to implement CSF'.</li> <li>• Provincial CSF launch will take place during 2018/19 financial year.</li> <li>• The National Monitoring Tool will be conducted at all underperforming stations.</li> <li>• A National Census Project is part of a national initiative where all 91 Police Stations that will be assessed.</li> </ul>
Programme 3	<ul style="list-style-type: none"> <li>• Strengthen existing controls in the licence and permit section</li> </ul>
Programme 4	<ul style="list-style-type: none"> <li>• Periodical monitoring of performance over the performance cycle</li> <li>• Increase performance targets in the Annual Performance Plan 2018/19 were necessary</li> </ul>

### 2.4.2. CHANGES TO PLANNED TARGETS

There were no changes to planned targets for the financial year under review.

Table 5: Linking Performance with Budgets

Sub-Programme Name	2017/18			2016/17		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
<b>Administration</b>						
Office of the MEC	12 997	12 997		10 722	10 722	
Management	7 610	7 610		7 110	7 110	
Financial Management	28 604	24 034	4 570	28 363	23 443	4 920
Corporate Management	35 875	35 875		35 688	35 688	
<b>Civilian Oversight</b>						
Policy and Research	2 943	2 943		2 566	2 566	
Monitoring and Evaluation	1 515	1 515		1 745	1 745	
Programme Support	11 930	11 816	114	10 467	10 467	
Safety Promotion	3 097	3 097		4 067	4 067	
Community Police Relations	4 825	4 794	31	5 396	5 343	53
<b>Transport Operations</b>						
Programme Support	1 784	1 784		2 499	2 618	(119)
Public Transport Services	184 772	183 448	1 324	173 585	171 734	1 851
Operator License and Permits	5 764	5 634	130	5 110	5 071	39
Transport, Safety and Compliance	783	776	7	907	901	6

Sub-Programme Name	2017/18			2016/17		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Transport Systems	4 648	3 687	961	2 545	2 545	
Infrastructure Operations	16 741	16 741		1 817	1 817	
<b>Transport Regulations</b>						
Programme Support	1 856	1 856		2 128	2 128	
Law Enforcement	71 761	71 759	2	67 500	67 484	16
Transport Administration and Licencing	11 225	11 225		9 362	9 356	6
Road Safety Education	8 816	8 693	123	3 349	3 349	
<b>TOTAL</b>	<b>417 546</b>	<b>410 284</b>	<b>7 262</b>	<b>374 926</b>	<b>368 154</b>	<b>6 772</b>



## 2.5. TRANSFER PAYMENTS

There are, basically, three (3) types of transfer payments, in the Vote allocation:

- The “Discretionary Fund”, under the Office of the Member of the Executive Council (MEC).  
This fund is accessed through an appeal to the MEC where a member of the public requests financial assistance of some sort, and direct their requests the Executive Authority, who will assist according to her discretion.
- The assistance to the Taxi Industry oversight, SANTACO, who are our strategic partner, and assist with the regulatory environment, for peace and stability in the industry. They have a service level agreement, with the Department, in which the Department agrees to provide them with financial assistance, quarterly transfers to be used against agreed targets and objectives, for their operational expenditure and other related matters.  
SANTACO provides the departmental with quarterly reports, on how the funds so transferred were utilised.
- The subsidies payable to bus operators as part of the Public Transport Operators Grant.

## 2.6. CONDITIONAL GRANTS

### 2.6.1. Conditional Grants and Earmarked Funds Paid

The tables below details the conditional grants and ear marked funds paid and received during for the period 1 April 2017 to 31 March 2018

Table 6:

Department to whom the grant has been transferred	Department of Transport, Safety and Liaison
Purpose of the grant	<ul style="list-style-type: none"> <li>• <b>Public Transport Operations Grant (PTOG)</b> To afford communities the opportunity to utilise bus transport, at subsidised and economically affordable rates.</li> <li>• <b>Expanded Public Works Programme (EPWP)</b> To incentivise provincial social sector, identified in 2014, under the social sector EPWP log-frame, to increase job creation by focusing on strengthening and expansion of social service programmes which have employment potential.</li> <li>• <b>EPWP: Incentive Grant</b> To increase job creation as well as provision of</li> </ul>

Department to whom the grant has been transferred	Department of Transport, Safety and Liaison
	infrastructure and transport assets.
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• <b>PTOG</b> – To provide affordable, safe and reliable transport to commuters in rural areas.</li> <li>• <b>EPWP</b> - To increase job creation to the expansion of social sector EPWP programme, to reduce unemployment rate and to provide income relief, through community social services.</li> <li>• <b>EPWP: Incentive Grant</b>– To increase job creation and reduce unemployment rate and ensure provision of infrastructure and transport assets.</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• <b>PTOG</b> – 6 different contracted bus companies were able to render an affordable, safe and reliable public transport service to underprivileged communities.</li> <li>• <b>EPWP</b> – 104 volunteers were recruited and placed at 34 crime-weight police stations, in the Province, to implement social crime prevention programmes.</li> <li>• <b>EPWP: Incentive Grant</b> – Recruitment of 37 participants and purchase of material for the building of a taxi rank fencing and side walk in Nama Khoi Municipality.</li> </ul>
Amounts per amended DORA (R'000)	<ul style="list-style-type: none"> <li>• PTOG: 53 806 000</li> <li>• EPWP: Social Sector - 2 510 000</li> <li>• EPWP: Incentive Grant - 2 000 000</li> </ul>
Amount transferred (R'000)	<ul style="list-style-type: none"> <li>• PTOG: 53 806 000</li> <li>• EPWP: Social Sector - 2 510 000</li> <li>• EPWP: Incentive Grant - 2 000 000</li> </ul>
Reasons the amount as per DORA was not transferred	Not applicable
Amount spent by Department (R'000)	<ul style="list-style-type: none"> <li>• PTOG: 53 799 000</li> <li>• EPWP: Social Sector - 2 479 000</li> <li>• EPWP: Incentive Grant - 1 039 000</li> </ul>
Reasons for funds unspent by the entity	<p><b><u>Public Transport Operators' Grant</u></b></p> <ul style="list-style-type: none"> <li>• Claims are not for fixed amounts, but fluctuates according to number of days operating, as well as the kilometers travelled. Saving of R7 000 is immaterial</li> </ul> <p><b><u>EPWP: Social Sector</u></b></p> <ul style="list-style-type: none"> <li>• Not all payments were processed within 2017/18;</li> <li>• Payments to volunteers are based on actual number of</li> </ul>



Department to whom the grant has been transferred	Department of Transport, Safety and Liaison
	<p>days worked. When volunteers are absent on a particular day, they are not remunerated for the day(s) concerned;</p> <ul style="list-style-type: none"> <li>• Accumulative savings was quantified and additional volunteers were appointed;</li> <li>• There is however no guarantees that there will be no absenteeism.</li> </ul> <p><b><u>EPWP: Incentive Grant</u></b></p> <ul style="list-style-type: none"> <li>• Implementation of the grant was changed from outsourcing of an external service provider, to the Department implementing the identified projects;</li> <li>• Work on project commenced late, within December 2017;</li> <li>• A roll-over of funds will be requested, as material is onsite, and projects must be finalised.</li> </ul>
Monitoring mechanism by the transferring department	<p><b><u>Public Transport Operators' Grant</u></b></p> <ul style="list-style-type: none"> <li>• On a monthly basis, the Department provides a report to the National Department of Transport, on the utilisation of the transferred funds.</li> </ul> <p>The report is assessed for compliance and, if approved, the next tranche of funds is transferred to the Department.</p> <p>Otherwise, if the report is not of acceptable standards of compliance, the funds are withheld and not transferred, until the irregularity, as may be applicable, has been finalised.</p> <p>In this way, funds are spent according to the criteria stipulated by the transferring Department, and all non-compliance is eradicated timeously.</p> <p><b><u>EPWP: Social Sector and Incentive Grants</u></b></p> <ul style="list-style-type: none"> <li>• The Department submits a business plan, to the transferring Department, outlining the deliverables of the grant.</li> <li>• Apart from the business plan, the Department enters an Incentive Grant Agreement with Department of Public Works.</li> <li>• Expenditure reports are provided monthly, as part of the IYM, with non-financial data provided quarterly, for</li> </ul>



Department to whom the grant has been transferred	Department of Transport, Safety and Liaison
	<p>updating of the EPWP reporting system.</p> <ul style="list-style-type: none"> <li>Volunteers reports to the departmental officials, responsible for supervision of the volunteers. These departmental officials sign-off the monthly attendance registers.</li> </ul>

## 2.6.2. Conditional Grants and Earmarked Funds Received

Table 7:

Department who transferred the grant	Department of Transport, Safety and Liaison
Purpose of the grant	<p><b><u>Public Transport Operations Grant (PTOG)</u></b> To afford communities the opportunity to utilise bus transport, at subsidised and economically affordable rates.</p> <p><b><u>Expanded Public Works Programme(EPWP)</u></b> To incentivise provincial social sector, identified in 2016, under the social sector EPWP log-frame, to increase job creation by focusing on strengthening and expansion of social service programmes which have employment potential.</p> <p><b><u>EPWP: Incentive Grant</u></b> Recruitment of 37 participants and purchase of material for the building of a taxi rank fencing and side walk in Nama Khoi Municipality.</p>
Expected outputs of the grant	<ul style="list-style-type: none"> <li><b>PTOG</b> - To provide affordable, safe and reliable transport to commuters in rural areas</li> <li><b>EPWP</b> - To increase job creation to the expansion of social sector EPWP programme, to reduce unemployment rate and to provide income relief, through community social services.</li> <li><b>EPWP: Incentive Grant</b> – To increase job creation and reduce unemployment rate and ensure provision of infrastructure and transport assets.</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>PTOG - 6 different contracted bus companies</li> </ul>

Department who transferred the grant	Department of Transport, Safety and Liaison
	<p>were able to render an affordable, safe and reliable public transport service to underprivileged communities.</p> <ul style="list-style-type: none"> <li>• EPWP 104 volunteers were recruited and placed at 24 crime-weight police stations, in the Province, to implement social crime prevention programmes.</li> <li>• <b>EPWP: Incentive Grant</b> – Recruitment of 37 participants and purchase of material for the building of a taxi rank fencing and side walk in Nama Khoi Municipality.</li> </ul>
Amounts per amended DORA (R'000)	<ul style="list-style-type: none"> <li>• PTOG: 53 806 000</li> <li>• EPWP: Social Sector - 2 510 000</li> <li>• EPWP: Incentive Grant - 2 000 000</li> </ul>
Amount received (R'000)	<ul style="list-style-type: none"> <li>• PTOG: 53 806 000</li> <li>• EPWP: Social Sector - 2 510 000</li> <li>• EPWP: Incentive Grant - 2 000 000</li> </ul>
Reasons is amount as per DORA was not received	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
Amount spent by Department (R'000)	<ul style="list-style-type: none"> <li>• PTOG: 53 799 000</li> <li>• EPWP: Social Sector - 2 479 000</li> <li>• EPWP: Incentive Grant - 1 039 000</li> </ul>
Reasons for funds unspent by the entity	Not applicable.
Monitoring mechanism by the receiving department	<p><b><u>Public Transport Operators' Grant</u></b></p> <ul style="list-style-type: none"> <li>• On a monthly basis, the Department provides a report to the National Department of Transport, on the utilisation of the transferred funds. The report is assessed for compliance and, if approved, the next tranche of funds is transferred to the Department. Otherwise, if the report is not of acceptable standards of compliance, the funds are withheld and not transferred, until the irregularity, as may be applicable, has been finalised.</li> </ul>

Department who transferred the grant	Department of Transport, Safety and Liaison
	<p>In this way, funds are spent according to the criteria stipulated by the transferring Department, and all non-compliance is eradicated timeously.</p> <p><b><u>Expanded Public Works Programme</u></b></p> <ul style="list-style-type: none"> <li>• The Department submits a business plan, to the transferring Department, outlining the deliverables of the grant.</li> <li>• Apart from the business plan, the Department enters an Incentive Grant Agreement with Department of Public Works.</li> <li>• Expenditure reports are provided monthly, as part of the IYM, with non-financial data provided quarterly, for updating on the EPWP reporting system.</li> </ul> <p>Volunteers reports to the departmental officials, responsible for supervision of the volunteers. These departmental officials sign-off the monthly attendance registers.</p>

**2.7. DONOR FUNDS**

No donor funds received for the period under review.

**2.8. CAPITAL INVESTMENT**

Not applicable.



# PART C

# GOVERNANCE



### **3. GOVERNANCE**

#### **3.1. INTRODUCTION**

The Department is committed to maintaining the highest standards of governance that are fundamental to the management of public finances and resources. Effective governance structures allow the Department to create value, through innovation, development and exploration, and provide accountability and control systems adequate with the risks involved.

Our department has put systems and processes in place, from recruitment of employees, to procurement of goods and services, right through to the disbursements and expenditure of public funds. These measures seek to address complete compliance with statutory requirements and the continuous provision of services to the public.

In this instance the department is in the process of developing an organisational structure (organogram) which, when approved will address the human resource needs and performance efficiencies in the Department. We have adopted and approved SCM policy to procure goods and services within the prescripts of the law. We have further created structures to manage risks within the department, and to ensure that fraud and corruption is eliminated.

The department has established committees that are tasked to monitor good governance within. These include Audit Committee, Risk Management Committee, Policy Committee, and SCM Bid Committees.


#### **3.2. RISK MANAGEMENT**

The Accounting Officer (AO) for the Department of Transport, Safety and Liaison takes responsibility for implementing Risk Management in accordance with the National Treasury Public Sector Risk Management Framework. The Department has also established a Risk Management Unit.

The Risk Management Policy which was drafted and adopted has enabled the Department to deliver on its departmental goals, objectives and key performance indicators, enhance risk informed decision making and optimise compliance with applicable legislation.

The Risk Management Committee provides governance oversight over the entire system of risk management of the Department and furnishes the Accounting Officer with the requisite reports in respect of performance of risk management. The Audit Committee provides the independent oversight of the Department's system of risk management. The Audit Committee is furnished with Quarterly Risk Management progress reports and departmental risk profiles and registers to execute their independent oversight role.





During the period under review, the Department assessed its risks relative to its strategic and annual performance plan. Risk assessments are conducted on a strategic level on an annual basis and updated quarterly. At a programme level the risk assessments are conducted on a quarterly basis in order to review and update the existing risks and to identify emerging risks.


### **3.3. FRAUD AND CORRUPTION**

- The department's fraud prevention plan is approved and has been implemented through awareness programmes for risk areas such as supply chain management, operating licence and permits and traffics.
- Mechanisms are in place to report fraud and corruption. Departmental units receive requests to investigate alleged corruption activities in the Drivers Licence Testing Centres and registering authority and operating licence and permits section. Other requests are received from the Public Service Commission and Office of the Premier via the National Anti-Corruption Hotline system.
- These cases are reported via the aforementioned mechanisms and then sent via the Office of the Head of Department to the relevant directorates, departments and municipalities

### **3.4. MINIMISING CONFLICT OF INTEREST**

- Due to the risk associated with "lack of division of functions", the Province has implemented, among others, the Logistical Information System (LOGIS), which is designed to enforce separation of functions. Thus officials may not (and are unable to) perform more than one function, in a transaction phase.
- Supply Chain Management practitioners are required to declare their financial interests in any companies they may hold shares in, or, where they may have family members, who would wish to do business with the Department.
- Furthermore, in order to do away with personal conflict of interest, Government has forbidden all officials from doing business with Government departments, irrespective of department or province;
- All persons who submit tender bids to Government departments, are required to complete the relevant forms: SB4, SB8 and SB, wherein they declare their business interests and business relations.
- In this way, persons working for Government are revealed, and are immediately brought to account.
- The Department has enforced the concept of "division of functions", so as to ensure that no one official may perform more than one (1) function, per transaction phase;
- Members serving on the department's Supply Chain Management Committees, are required to complete a "declaration of interest", wherein they reveal their business





interests, outside of the Department. This enables the Accounting Officer to decide where the official may be placed, where he will not compromise both himself and the Department's transparent processes;

- All officials who wish to pursue business interests, outside of the Department, may no longer work for Government;
- Thus, if officials, previously, had the authorisation of their respective executive authorities, in this regard, they are now required to relinquish those shares, or to leave the public service.

### **3.5. CODE OF CONDUCT**

The Department relies on the Code of Conduct for Public Service to promote a high standard of professional ethics and behaviour in the Department. The Code of Conduct enshrines the values and principles enunciated in chapter 10 of the Constitution of the Republic, viz accountability, professionalism and development oriented workforce.

As a positive responsibility, the Department has developed and continuously implements programmes aimed at promoting compliance with the Code and ethical behaviour. Since the primary purpose of the Code of Conduct is to promote discipline and exemplary conduct, any instance of deviation from the expected conduct and behaviour by officials is visited as misconduct.

### **3.6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES**

The occupational health and safety issue of the employees as well as the safety of members of the public and stakeholders is viewed by the Department as more than a matter of compliance; the Department views this issue as a demonstration of our responsibility and caring.

In view of the above, the Department has established a Safety, Health, Environment, Risk and Quality Committee. The chief responsibility of this committee is to monitor occupational health and safety issues in the workplace and advise the employer on any risks and/or potential risks relating to the occupational health and safety.

To support the work of the committee referred to above, the Department has appointed shop-floor safety representatives for all cost centres. The primary responsibility of the safety representative is to promote occupational health and safety issues, to identify any hazards and advise or escalate identified hazards for the attention of the Department.

### 3.7. PORTFOLIO COMMITTEE

The Portfolio Committee exercises oversight over the service delivery performance of departments.

Date of Meeting	Matters Raised	Response
31 <sup>st</sup> October 2017	The department to develop a vigorous plan and strive to address the shortage of provincial traffic officials	<ul style="list-style-type: none"> <li>• Total number of employees at traffic station is 180 of which 104 are law enforcement officers.</li> <li>• There are a total of 20 personnel at the Provincial Office.</li> <li>• There are a total of 11 personnel at Enatis and abnormal loads.</li> <li>• There exist a major challenge with human resource capacity in law enforcement.</li> <li>• The Department is of the opinion that to address this challenge will require an additional three hundred (300) new traffic officers over the next four (4) years.</li> <li>• The cost to the department is estimated at R138,542,926.</li> </ul>
	The department must provide a detailed report on the Boegoebaai and De Aar warehouse projects	<p><b><u>De Aar Warehouse</u></b></p> <p>The Transaction Advisor (TA) T. Mqina from TM Consultants was appointed to carry out a detailed bankable feasibility study in accordance with PPP guidelines. The latter has developed a project strategy and action plan for the bankable feasibility study. The Infrastructure Project (De Aar Freight/Logistic Hub) was registered at the PPP unit at National Treasury. The project was registered and gazetted with reference number P139.</p> <p>The strategic imperatives that will emanate from this project, and which will bring to the fore the following benefits for the Northern Cape Province, are:</p> <ul style="list-style-type: none"> <li>• Local Economic Development in both De Aar and Port Nolloth, which are currently severely impoverished areas</li> <li>• Social upliftment and development in the sense that these projects will create opportunities for the people of these areas in terms of employment which will have a direct correlation to uplift the people from a social development perspective</li> <li>• Skills development in the transport and logistics sector for people of these impoverished areas.</li> </ul> <p><b><u>Boegoe Bay</u></b></p> <p>Due to the following constraints of the Port of Port</p>



Date of Meeting	Matters Raised	Response
		<p>Nolloth, alternatives were investigated:</p> <ul style="list-style-type: none"> <li>• Restricted water depth of 3.9 meters at the existing quay with occasional siltation issues which may limit a vessel to a maximum value of 1 000 DWT;</li> <li>• Water depth of 10 meters or more is only reached at 500 to 1 000 meters offshore, beyond the reef which provides some protections to the current shoreline, and which will make construction costly;</li> <li>• Rocky seabed near shore will make dredging costly;</li> <li>• The offshore wave environment is characterised by a severe wave climate of between 6.5 and 8.5 meters;</li> <li>• The lack of adequate water and electricity infrastructure in Port Nolloth to serve the needs of a large commercial port (water is supplied via pipeline from Alexander Bay);</li> <li>• There is currently no rail access to the port; and</li> <li>• At the back of the port land will be required for potential storage areas for bulk and other cargo.</li> </ul> <p>This site has all the advantages for the potential development of a deep sea port, namely:</p> <ul style="list-style-type: none"> <li>• The 20 meter bathometric contour is found 250 meters offshore which is a very rare phenomenon along the coastline of South Africa.</li> <li>• It is a Greenfields site owned by the people of the Richtersveld, the Community Property Association (CPA).</li> </ul> <p>For these projects to succeed it is critical for private sector investors, in partnership with the State, to come forward and participate in these business opportunities. Suitable investors will enable these projects to take off and achieve the objectives for which they are intended – namely sustainable economic growth, competitiveness through reduced logistics costs and job creation.</p>
	<p>Report on the envisaged traffic college in the province</p>	<p>The office of the Head of the Department of Transport has formulated a business case plan characterized by the process map and the timeline matrix designed for the establishment of the Provincial Traffic Training College. This plan is designed to commence as soon as all role players</p>



Date of Meeting	Matters Raised	Response
		<p>are on board, including the buy in from all relevant authorities such as the Office of the Member of the Executive Council and the Portfolio Committee.</p> <p>The project implementation shall depend on the outcome of all processes as per the time line matrix, the signing off and final approvals from relevant authorities such as the EXCO, ANC Lekgotla, which will be immediately followed by tendering procedures as per Treasury regulations, etc.</p> <p>The complete project shall be handed off to the Premier of the Province and hence be launched according to the terms and conditions of the Premier's office and all relevant authorities under the leadership of the Department of Transport Safety and Liaison.</p>
	<p>The department to submit report on the functionality of weighbridges on the province</p>	<p>The weighbridge facilities were transferred to the Department of Transport, Safety and Liaison from the Department of Roads and Public Works. It is to be noted that these four (4) weighbridges were constructed between the year 1996 and 2004. The weighbridges are located approximately ten (10) kilometers outside towns on the following routes:</p> <ul style="list-style-type: none"> <li>• Colesburg N1</li> <li>• Upington N14</li> <li>• Kimberley N12</li> <li>• Springbok N7</li> </ul> <p>Apart from the fact that these weighbridges are timeworn they are also in urgent need of investment in infrastructure such as:</p> <ul style="list-style-type: none"> <li>• Scales</li> <li>• Buildings</li> <li>• Information Technology (TRAFMAN)</li> <li>• Security</li> <li>• High Mast Lighting</li> <li>• Maintenance</li> </ul> <p>Based on the aforementioned estimated age of the weighbridges, they are too old to execute the task associated with them. It therefore imperative that the weighbridges are reconstructed and refurbished to meet the current challenges on our roads.</p> <p>Further to maximise their use additional employees and equipment will have to be sourced. And to ensure the safety of the employees and equipment may require the sourcing of security. The ideal additional human capital to be deployed at the</p>

Date of Meeting	Matters Raised	Response
	<p>Conduct an investigation on the source of irregular expenditure and hold those responsible accountable</p>	<p>weighbridges to effect 24 hour operationalization will require a three (3) shift system with six (6) persons per shift. This will be at a cost to department of R18,036,064.00. Due to this high cost, the department may have to consider launching the 24/7 shift system with two (2) personnel operating three (3) shifts. This will essentially reduce the cost to R10,698,688.00.</p> <p>The Department provided a comprehensive report, to the Accounting Officer, for consideration and necessary condonement. The Accounting Officer, based on the information availed to himself, condoned the irregular expenditure, as had been provided, in the report.</p> <p>However, Provincial Treasury was not satisfied as, according to them, the Department could not be player and referee, in this regard. The matter should be referred to Provincial Treasury, for further consideration, they maintained. Furthermore, Provincial Treasury would conduct an investigation, apply its mind and decide on the outcome of the matter.</p> <p>The investigation, by Provincial Treasury has not progressed satisfactorily, hence the matter will now be referred to SCOPA, for resolution. Reports, as had been provided to Provincial Treasury, will be referred to SCOPA, for consideration. With the timeline being the 31<sup>st</sup> January 2017.</p> <p>Thus the Department complied with the resolutions of SCOPA, as was required,</p>
8 November 2017	<p>Ensure that the department strengthens and adequately resources our gender unit (including the vulnerable in the province) and; provide a report on the status of gender desk</p>	<p>The Department has a Unit coordinating gender management. The unit consists of two (2) permanent personnel, one (1) Deputy Director level 12 and one (1) Admin Clerk level 5 as well as an intern. A gender forum consisting of twelve (12) members has also been constituted.</p> <p>The Department has conducted a number of programmes on gender based violence and has further formed partnerships with the South African Police Services as well as the Commission on Gender Equality with these partners actively participating in the 16Days of No Violence against women and children.</p>



Date of Meeting	Matters Raised	Response
		<p>The institution also has forged a partnership with South African Network for Women in Transport thereby ensuring economic empowerment in the transport sector.</p> <p>The DPSA wants to assess and monitor compliance with regards to gender mainstreaming and women empowerment within the workplace by ensuring 50% representation at senior management level. The Head of Department is therefore hosting an annual Public Service Management Week and progress reports are submitted to Office of the Premier and Department of Public Service and Administration.</p> <p>Our Department together with Department of Social Development successfully launched an Internal Men's Forum, Regional Men's Forum and Provincial Men's Forum and structures elected, as part of provincial call to action against gender based violence.</p> <p>An awareness campaign was also conducted to educate and encourage women, youth and people living with disability to participate in Transport Services i.e. Professional Drivers Permits, Participation in Public Procurement and Scholar Transport Contracts.</p> <p>During the 2018/19 financial year it is envisaged that more women will be appointed to serve on the Provincial Regulatory Entity to ensure equal representivity and encourage more women to apply for operating permits thereby improving the economic empowerment of women.</p> <p>Gender mainstreaming training will also be conducted whereby 30 officials will be trained by the National School of Governance. Equal representivity 50/50 when appointing Extended Public Works Programme, Safety Volunteers and Internship/ Learnerships is also encouraged and in particular appointing persons with a disability. More women will also be empowered through supply chain and procurement processes by increasing this figure to 20%.</p>



Date of Meeting	Matters Raised	Response
	<p>Ensure that the departmental organisational structure is linked to its strategic plan and ensure that when reviewing and restructuring their organisational structure in lieu of vacant funded posts, they do not compromise service delivery</p>	<p>The current, approved organisational structure of the Northern Cape Department of Transport, Safety and Liaison was endorsed by the Provincial Executive Council and signed off by the Premier in September 2008. A number of changes to the organisational structure, which were needs driven, were subsequently approved on a piecemeal basis. No structural review process could, however, be brought to finalisation until now.</p> <p>During 2017, driven by the outcomes of internal and external audits, the MPAT process, functionality challenges, the Programme One (1) Generic Structure as well as the Amended 2015 Directive on Changes to Organisational Structures, a decision was taken by the Executive Authority to ensure functional alignment with the issued functional model, and to update the departmental organisational structure by incorporating changes made since 2008 through a proper review process.</p> <p>A Project Charter was developed and the support of the Office of the Premier was solicited in fast-tracking the process, since the Department was faced with extremely tight deadlines to finalise the review process.</p> <p>The proposed structure outlined therefore reflects as its key shifts from the current to the proposed organisational structure:</p> <ul style="list-style-type: none"> <li>• The separation of the internally focused support functions, as contained in Programme 1: Administration, from the externally (Service delivery) focused core functions of the Department, as contained in Programme 2: Civilian Oversight, Programme 3: Transport Operations and Programme 4: Transport Regulations;</li> <li>• The incorporation of functions moved to the Department through Provincial Executive Council decisions during the period 2008 to 2012.</li> </ul> <p>Due to the moratorium placed on the filling of</p>



Date of Meeting	Matters Raised	Response
		<p>vacancies, the proposed organisational structure therefore represents a minimal introduction of new posts but also a re-organisation of functions and existing resources. In an effort to 'do more with less', the Department has made initial efforts to undertake work measurement initiatives, which will still be refined and intensified, and both the Organisational Functionality Assessment process, as well as the development of the Service Delivery Model, has proven valuable in beginning to assess the true role of the Department, as well as how we conduct our business. As the work measurement process and capacity matures, minor shifts of the given posts within the proposed structure may therefore still be required.</p>
	<p>A report detailing steps to address irregular expenditure in the department</p>	<p><b>1.1.</b> The Accounting Officer should take leadership, by enforcing "consequence management", against officials disregarding the Department's Supply Chain Management policy and processes.</p> <p><b>Response</b></p> <ul style="list-style-type: none"> <li>• Make compliance with legal matters, part of the Department's performance agreements;</li> <li>• Provide requisite training, on financial- and supply chain management compliance;</li> <li>• Submit, on a monthly basis, a schedule of all occurrences of irregularity, on SCM matters, to the Accounting Officer, for his consideration.</li> </ul> <p>The schedule is to be accompanied by recommendations/comments, by the Chief Financial Officer, on necessary remedies and consequences to be applied. Where applicable, notification is to be provided to Provincial Treasury, as well.</p> <p><b>1.2.</b> Conduct an investigation on the source/cause of irregular expenditure, and to hold those who commit such, accountable</p> <p><b>Response</b></p> <ul style="list-style-type: none"> <li>• As applicable, conduct investigations into all occurrences of irregular expenditure;</li> <li>• Investigations to be conducted, per incident, so as to assess the circumstances each, and to</li> </ul>

Date of Meeting	Matters Raised	Response
		<p>pass the necessary, applicable recommendations;</p> <ul style="list-style-type: none"> <li>• The total schedule so compiled, is to be accompanied by a report and recommendations, on a turnaround time of one (1) accounting month, per incident;</li> <li>• Matter to be reported to senior management, for discussions, during ManCom meetings.</li> </ul>
	<p>Report on the work done by the Daltim Consultancy on human resources related issues</p>	<p>The Organisational Structure of the Department was last approved in 2008.</p> <p>The implementation of new legislation as well as incorporation of the transport function necessitated a review of the structure and Daltim Consultancy was appointed as the preferred service provider in 2014.</p> <p>A submission was drafted and the scope of work as follows:</p> <ul style="list-style-type: none"> <li>• Road and traffic components to be aligned to the departmental organisation structure;</li> <li>• Review of the departmental District Offices;</li> <li>• Creation of the Northern Cape Civilian Secretariat;</li> <li>• Assist with the development of Job Descriptions for newly created posts;</li> <li>• Job Evaluate identified newly created posts</li> </ul> <p>The subsequent work conducted by the service provider is as follows:</p> <ul style="list-style-type: none"> <li>• The needs of each programme was discussed with the respective Programme Managers;</li> <li>• The managers gave their individual needs and these were subsequently consolidated.</li> <li>• Conducted job evaluation of posts;</li> <li>• Submitted Draft Organisation Structure;</li> <li>• Analyse Strategic Plan and Annual Performance Plan of the Department;</li> <li>• Analyse MEC's input and Budget Speech;</li> <li>• Develop Service Delivery Model SDM;</li> <li>• Develop Organisational Functionality Assessment (OFA).</li> </ul> <p>The requirement by the Executive Authority (EA) was that the expansion should not exceed 10% of</p>

Date of Meeting	Matters Raised	Response
		<p>the departments' compensation of employee's budget. However managers reflected their actual needs which resulted in the structure exceeding the 10% threshold as had been instructed by the EA.</p> <p>There was also criticism from Office of The Premier (OTP) with respect to OFA and SDM, with regard to specific requirements from Department of Public Service and Administration (DPSA), which had not been complied with the service provider.</p> <p>The Department has subsequently met with the Efficiency Services from the OTP to assist with the redrafting of the OFA and SDM. These have subsequently been drafted and approved by the Executive Authority. The Department is in the process of drafting a business case in consultation with all OTP as well as all labour organisations. Thereafter OTP will discuss the business case with DPSA and OTP will make final comments. The final document will then be submitted to the Minister for Public Service and Administration for concurrence and finally approved by the Executive Authority.</p>
	<p>Report on the state of safety in the province</p>	<p>The high levels of violence against our vulnerable groupings remains a matter of concern. According to research conducted in the Province, substance abuse remains the main contributing factor impacting on the safety and security of vulnerable citizens.</p> <p>However, a number of programmes, dialogues and discussions were conducted throughout the Province. These programmes took place at various places such as places of safety, high schools and most rural areas.</p> <p>During the 2016/17 financial year in comparison to the 2015/16 financial year, Contact Crime, Contact Related Crime, Property Related Crime and Other Serious Crimes, clustered as the seventeen (17) Community Reported Crimes, indicate a decrease of 834 cases.</p> <p>Murders decreased with 7.5% in the 2016/17 financial year which constitutes a decrease of 28 cases compared to the previous financial year 2015/2016. The majority of these incidents</p>



Date of Meeting	Matters Raised	Response
		<p>occurred over weekends and in 43.1% of these cases knives were used.</p> <p>50.4% of the reported murder incidents were caused as a result of a misunderstanding or argument between the victim and the suspect. Overall, 48.7% of murder incidents occurred in public places such as streets, bars/pubs/shebeens/taverns, open spaces taxi ranks, abandoned buildings, agricultural land, parking areas, petrol stations, railway line areas, a cattle post and at a rubbish dumping sites. The other incidents of 38.4% occurred in closed areas such as residences of the victim and/or offender, residences known to victim or other private residences, farm compounds, spaza shops, motel/guesthouse/hotel and farms.</p> <p>The misuse of alcohol and drugs are the main contributor towards crime, especially in contact crimes. In the majority of the cases of contact crimes the victims and perpetrators are known to each other. Hands [21.46%] and knives [5.92%] were predominately used to commit contact crimes. Firearms [pistols/revolvers/high calibre firearms/shotguns] were used as instruments in 1.14% of the total contact crimes.</p> <p>The scourge of substance abuse in the Province is addressed vigorously by educating our people on the dangers of alcohol and drug abuse and its root causes. Pregnant women were mobilised and warned about the dangers of using alcohol while pregnant, which leads to Foetal Alcohol Syndrome (FAS).</p> <p>A “Weekend on Sobriety” programme was implemented during the Festive Season to address responsible drinking and trading in alcohol. Successful projects were implemented in Prieska, Batlharos, Nababeep and Galeshewe. Youth were encouraged to participate in sport as an alternative for drinking and commission of crime.</p> <p>Incidents of Human Trafficking took place in the Province and children and youth were informed</p>



Date of Meeting	Matters Raised	Response
		<p>about their Rights. Workshops took place to educate women on the 16 days of activism of no violence against women and children.</p> <p>The Northern Cape has a very young population and youth unemployment is very high. 61.4% of the suspects arrested for contact crimes during the 2016/2017 financial year period were within the age groups of 11 and 29 - the youngest accused being 11 years old.</p> <p>The majority of suspects arrested for Burglary Residential and Business were also youths. These age groups and percentage contributions are indicated in the property related crime category. Taking into consideration that 45.1% of the youth is unemployed has a definite impact on these statistics.</p> <p>The influx of people into certain areas due to economic expansions such as agriculture, mining and solar parks have further impacted negatively on the priority crimes. The increase of crime can be seen in the Kakamas, Kathu, Postmasburg, Upington and De Aar clusters, where the development is taking place.</p> <p>The Department of Transport, Safety and Liaison conducted twenty (20) Community Satisfaction Surveys throughout the Province over past three (3) financial years in order to determine the community's perception on Policing.</p> <p>Key assumptions from the Community Satisfaction Surveys reveal the following:</p> <ul style="list-style-type: none"> <li>• 57% of communities in the Northern Cape Province are not satisfied with the services rendered by the SAPS.</li> <li>• Communities are aware of the existence of Community Police Forums.</li> <li>• Violence crimes and sexual abuse are rife in the Province.</li> <li>• 78% of communities have trust in SAPS, but only 36% feel safe.</li> </ul> <p>The Honourable Minister of Police, Mr. F Mbalula, released his ministerial six-point plan on gender</p>

Date of Meeting	Matters Raised	Response
		based violence, which all police stations need to implement. The Department of Transport, Safety and Liaison needs to ensure through its oversight role that this six-point plan of the Minister is compliant by visiting the police stations and implementation thereof.

### 3.8. SCOPA RESOLUTIONS

The Department met with the Standing Committee on Public Accounts, during November 2017, to present its annual report, for the 2016/17 financial period of review.

Resolution No.	Subject	Response by the Department	Resolved (Yes / No)
1.	The department recognises and implements SCOPA resolutions as required	<p>The report contained responses on the following matters:</p> <ol style="list-style-type: none"> <li>The Accounting Officer must ensure that Supply Chain Management processes are reviewed, monitored and communicated to all officials. <ul style="list-style-type: none"> <li>The Department did observe SCM processes and, where compliance was not practicable to observe, prior deviation of authority was sought from the Accounting Officer, e.g. scholar transport and public transport.</li> <li>It should be noted that this matter was previously liaised upon, in liaison with Provincial Treasury.</li> <li>However, due to the resultant sluggishness of the requisite, SCOPA has instructed the Department to refer these matters to the Committee, for appropriate remedial actions, and resolutions.</li> <li>Other irregular expenditure is, similarly, being dealt with, through referral to the Accounting Officer, for condonement, and/or processes to avoid occurrence, in the first place.</li> </ul> </li> <li>An investigation must be undertaken, to determine the cause of irregular expenditure. Furthermore, should the outcome uncover any wrong-doing, consequences must be enforced.</li> </ol> <p>The Department provided a comprehensive report, to the Accounting Officer, for consideration and necessary condonement. The Accounting Officer, based on the information availed to himself, condoned the irregular expenditure, as had been provided, in the report.</p>	Yes

Resolution No.	Subject	Response by the Department	Resolved (Yes / No)
		<p>However, Provincial Treasury was not satisfied as, according to them, the Department could not be player and referee, in this regard. The matter should be referred to Provincial Treasury, for further consideration, they maintained. Furthermore, Provincial Treasury would conduct an investigation, apply its mind and decide on the outcome of the matter.</p> <p>The investigation, by Provincial Treasury has not progressed satisfactorily, hence the matter will now be referred to SCOPA, for resolution. Reports, as had been provided to Provincial Treasury, will be referred to SCOPA, for consideration. With the timeline being the 31<sup>st</sup> January 2017.</p> <p><i>Thus the Department complied with the resolutions of SCOPA, as was required, with the problem being the sluggishness of the involvement of Provincial Treasury.</i></p> <p>3. Adequate review of the annual financial statements</p> <ul style="list-style-type: none"> <li>• The Department did review the annual financial statements, and found to be in order.</li> <li>• There was, however, a single item, on Revenue Budget, where the figures of the budget were jumbled, leading to the need to correct same.</li> <li>• This was, thus considered to be a material change, to the annual financial statements.</li> <li>• Thus, except for this single mis-statement, the Department did implement the resolutions of SCOPA.</li> </ul>	
2.	The department must regularly reconcile the financial statements to avoid material misstatements as this leads to negative audit outcomes	<p>The Department did review the annual financial statements, and found to be in order. There was, however, a single item, on Revenue Budget, where the figures of the budget were jumbled, leading to the need to correct same.</p> <p>This was, thus considered to be a material change, to the annual financial statements.</p> <p>It should be borne in mind, furthermore, that the Department compiles, on a quarterly basis, interim financial statements, which gives us adequate</p>	Yes





Resolution No.	Subject	Response by the Department	Resolved (Yes / No)
		<p>“training and revision”, thus enabling the Department ample opportunity, to:</p> <ul style="list-style-type: none"> <li>• Familiarise ourselves with the reporting template;</li> <li>• Correct any deficiencies, in the template;</li> <li>• Make recommendations, for improvement and quality of the disclosure items.</li> </ul> <p>Thus, except for this single mis-statement, the Department did implement the resolutions of SCOPA.</p>	
3.	The department to put stringent controls that ensure proper recruitment and selection processes are followed at all times for appointment of officials	<p>The Department is in the process of reviewing its Recruitment, Selection and Retention Policy. Furthermore the recruitment methods applied are done so in accordance with Public Service Regulations in that selection principles are based on merits, skills, experience, abilities, personal attributes and competencies. We are further striving to address the need to achieve equity in the workplace by ensuring equal representation and diversity amongst the workforce.</p> <p>The Institution has a Human Resource Plan that is aligned to the Strategic Plan of the Department and through this document the need for recruitment through Human Resource Planning processes is derived.</p> <p>The department is further conducting an analysis of the workforce profile and is in the process of comparing available human resource and projected human resource needs.</p> <p>We will consider costs and also ensure that the position is budgeted for and there are sufficient funds available for the filling of all vacant and funded posts.</p>	Yes
4.	That the accounting officer takes leadership by enforcing consequence management against officials disregarding the supply chain management policy	<ul style="list-style-type: none"> <li>• Make compliance with legal matters, part of the Department’s performance agreements;</li> <li>• Provide requisite training, on financial- and supply chain management compliance;</li> <li>• Submit, on a monthly basis, a schedule of all occurrences of irregularity, on SCM matters, to the Accounting Officer, for his consideration.</li> <li>• The schedule is to be accompanied by recommendations/comments, by the Chief</li> </ul>	Yes

Resolution No.	Subject	Response by the Department	Resolved (Yes / No)
		Financial Officer, on necessary remedies and consequences to be applied; <ul style="list-style-type: none"> <li>Where applicable, notification is to be provided to Provincial Treasury, as well.</li> </ul>	
5.	Conduct an investigation on the source of irregular expenditure and hold those responsible accountable	<ul style="list-style-type: none"> <li>As applicable, conduct investigations into all occurrences of irregular expenditure;</li> <li>Investigations to be conducted, per incident, so as to assess the circumstances each, and to pass the necessary, applicable recommendations;</li> <li>The total schedule so compiled, is to be accompanied by a report and recommendations, on a turnaround time of one (1) accounting month, per incident;</li> <li>Matter to be reported to senior management, for discussions, during ManCom meetings.</li> </ul>	Yes

### 3.9. PRIOR MODIFICATION TO AUDIT REPORTS

- Report to Senior Management and Audit Committee, on progress, regarding resolutions of audit findings;
- Verification of transactions, and compliance with due process, prior to committing, so as to avoid the need for remedial process, afterwards;
- Submission of compliance reports, to Provincial Treasury, to confirm that the business of the Department is run in an orderly and complaint matter, with due regard for set standards of operation;
- Compilation of quarterly interim financial statements, so as to become familiar with the reporting templates, as well as the requisite supportive documents.

Matters raised do not include those already addressed through the Audit Action Plan

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matters
None		
All matters raised, are dealt with as part of the audit action plan		

### **3.10. INTERNAL CONTROL UNIT**

The Department does not have an Internal Control Unit, to co-ordinate this function.

Required functions related to this discipline, are addressed by individual managers, through normal risk management and control processes.

The Province has implemented a shared Internal Audit function, which assists, to a significant degree, in the highlighting and mitigation of weak internal control processes, as well as to strengthen individual departments' operations.

### **3.11. INTERNAL AUDIT AND AUDIT COMMITTEE**

#### **Internal Audit Mandate**

The Internal Audit Unit (Internal Audit) was established according to the Public Finance Management Act, 1999 (Act No 1 of 1999) section 38(a)(ii) which requires that the accounting officer establish a system of internal audit under the control and direction of an audit committee.

Internal Audit assisted the department and management with the achievement of their objectives and remains a vital part of the department's governance and combined assurance structures. Internal Audit is the primary independent assurance provider on the adequacy and effectiveness of the department's governance, risk management and control structures, systems and processes.

#### **Annual internal audit assurance statement**

Internal Audit assurance can only be reasonable and not absolute and does not supersede the department's and management's responsibility for the ownership, design, implementation, monitoring and reporting of governance, risk management and internal controls.

#### **Professional positioning and recognition**

Internal audit operates in general conformance to the International Standards for the Professional Practice of Internal Audit (Standards).

During 2014/2015, the Institute of Internal Auditors performed the 5-yearly compulsory QAR. The outcome was the highest rating, namely general conformance to the Standards.

For the last 4 consecutive years, the Auditor-General did not raise any negative findings during their annual review of Internal Audit. Internal Audit introduced the combined assurance model and is in constant communication with the Auditor-General.

Internal Audit scored 100% for the last 3 consecutive years in the annual Management Performance Assessment Tool outcome, as per the Standard prescribed by the National Department of Planning, Monitoring and Evaluation.

### **Independence and authority**

The independence of internal audit is considered by the Chief Audit Executive and Audit Committee on an ongoing basis. It has been determined and confirmed that Internal Audit has remained independent of all operational functions and that the functional reporting to the Audit Committee and administrative reporting to the Treasury Head of Department have enabled appropriate organisational positioning. Internal Audit has access to all stakeholders as well as free and unrestricted access to all areas within the department.

### **Scope of work**

There were no undue scope limitations or impairments to the independence. In our professional judgement, sufficient and appropriate audit procedures have been conducted through the completion of the risk-based audit plan and evidence gathered to support the conclusions contained in this report.

### **Audit committee**

The audit committee was established according to the Public Finance Management Act, 1999 (Act No 1 of 1999,) section 77 and Treasury regulation 3.1. The audit committee reviewed the activities of the internal audit function, including its annual work plan, coordination with external auditors and the responses of management to specific recommendations.

## **3.12. AUDIT COMMITTEE REPORT**

### **AUDIT COMMITTEE MEMBERS AND ATTENDANCE**

We are pleased to present our report for the financial year ended 31 March 2018. The audit committee was operational throughout the year and had several engagements with management on crucial financial management, internal control, risk management and governance issues during the year. The audit committee acknowledges the attendance and participation of senior management including the Accounting Officer in the audit committee meetings.

### **AUDIT COMMITTEE MEMBERS AND ATTENDANCE**

In terms of PFMA, section 77(b), an audit committee must meet at least twice a year. In addition, Treasury Regulations, section 3.1.16, provides that an audit committee must meet at least annually with the Auditor-General. The audit committee met five times during the year in compliance with the PFMA and the audit committee charter. The audit committee also met with the Auditor General.

## **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.

## **THE EFFECTIVENESS OF INTERNAL CONTROL**

From the various reports and assessments of Internal Audit, it can be concluded that the internal control environment is partially adequate and partially effective. However there are pockets of excellence and a positive trend has been noted towards enhancing the control environment.

Follow up audits are a strong governance and risk management practice, included in the charter for Internal Audit, Government Auditing Standards and in the International Standards for the Professional Practice of Internal Auditing, therefore internal audit has also performed follow up audits. Even though management has developed a detailed and practical action plan to address the control weaknesses identified by internal audit and AGSA, we are concerned that implementation thereof has not been proactive to address the matters.

The Audit Committee requested the MEC of the department of Transport, Safety and Liaison to institute a forensic investigation into the 2014/2015 project of the Road Traffic Management Corporation. The investigation is currently conducted by National Treasury.

## **IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORT**

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

We had engagements with the Department's management to provide clarity on completeness and quality of the monthly and quarterly reports during our quarterly meetings and officials of the Department were able to clarify areas of concern raised by the audit committee. Furthermore the implementation of recommendations of the audit committee was tracked in the quarterly audit committee meetings.

## **EVALUATION OF FINANCIAL STATEMENTS**

- The audit committee has reviewed the audited financial statements performance report for the year ended 31 March 2018 and has discussed matters of concern with management and the Auditor-General as well as the Accounting Officer.

- The audit committee has reviewed the Auditor-General's management report and management response thereto and directed management to develop a comprehensive action plan to address all issues raised by the Auditor-General. The audit committee will review the action plan and monitor implementation thereof during the quarterly audit committee meetings.
- The audit committee has reviewed the accounting policies applied in the compilation of the annual financial statements and is satisfied that the policies are consistent with those of prior year, have been consistently applied and are in accordance with the National Treasury guidelines.
- The audit committee reviewed the department's compliance with legal and regulatory provisions during the quarterly audit committee meetings and management has been directed to implement remedial measures where instances of non-compliance were noted.
- The audit committee has reviewed the information on predetermined objectives to be included in the annual report as part of the review of the audited financial statements.
- The audit committee has reviewed significant adjustments resulting from the audit as part of the review of the audited financial statements
- The audit committee hereby indicates its concurrence with the Auditor-General's conclusion on the annual financial statement as well as the unqualified.


#### **INTERNAL AUDIT**

The audit committee is satisfied as to the effectiveness of the internal audit function during the year and that the internal audit activity has to a large extent audited the risks pertinent to the department.

#### **AUDITOR-GENERAL SOUTH AFRICA**

We have reviewed the Department's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved and that there are no unresolved issues.

We would like to thank Management and AGSA for all their efforts in obtaining an unqualified opinion.

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Mr V Magan

Chairperson of the Audit Committee

Date: 8 August 2018





## PART D

# HUMAN RESOURCE MANAGEMENT





## 4. HUMAN RESOURCE MANAGEMENT

### 4.1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all Departments in the Public Service, the submission thereof is in compliance with the Minister's directive.

In this period under review, the Department has reviewed Human Resources Committees, amongst other the Intermediate Review Committee and Moderating Committee to review employees' performance and the Employment Equity Committee to oversee the implementation of the equity policy of the Department.

The Department is in the process of reviewing the current organisational structure which was last approved in 2008. The revised organisational structure is in response to the Departmental strategic plan and delivery priorities. When approved, the new structure will lead to greater alignment of functions and delivery on strategic objectives.

The Department is committed to promoting the quality of work-life, and the creation of a conducive working environment for its employees and to administer the caring face of the employer within accepted policy framework.

The following are the human resource challenges experienced:

- Attainment of 50% appointment of women at SMS level, and 7% persons with disabilities.
- Inadequate HRD staff to conduct post training assessments.
- Lack of organizational development function to deal with the overall arrangement of the organization and its functions, including both long term and short term identification and development of its human resources.

The following are the human resources priorities for 2018/19:

- Compliance to the DPSA directive on 5% appointment of learnership / internships.
- Attainment of 7% appointment of people with disabilities.
- Appointment of an Employee Health and Wellness Practitioner and Legal Officer.
- Development of a Skills Transfer / Coaching and Mentoring Programme

## 4.2. HUMAN RESOURCE OVERSIGHT STATISTICS

### 4.2.1. 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, homeowner's allowances and medical aid.

Table 3.1.1: Personnel expenditure by programme for the period 1 April 2017 to 31 March 2018

Programme	Total Expenditure R'000	Personnel Expenditure R'000	Training Expenditure R'000	Professional and Special Services Expenditure R'000	Personnel Expenditure as a % of Total Expenditure	Average Personnel Cost Per Employee R'000
Administration	80 500.00	49 773.00	0.00	0.00	61.80	81.00
Civilian Oversight	24 168.00	20 132.00	0.00	0.00	83.30	33.00
Transport Operations	212 071.00	11 727.00	0.00	0.00	5.50	19.00
Transport Operations	93 498.00	70 716.00	0.00	0.00	75.60	116.00
<b>Total</b>	<b>410 237.00</b>	<b>152 348.00</b>	<b>0.00</b>	<b>0.00</b>	<b>37.10</b>	<b>249.00</b>

Table 3.1.2: Personnel Cost by Salary Band for the period 1 April 2017 to 31 March 2018

Salary Bands	Personnel Expenditure R'000	% Of Total Personnel Cost	No. of Employees	Average Personnel Cost per Employee R'000
Skilled (Levels 3-5)	17 530.00	11.30	250 429.00	155 633.00
Highly Skilled (Levels 6-8)	65 837.00	42.30	344 696.00	155 633.00

Salary Bands	Personnel Expenditure R'000	% Of Total Personnel Cost	No. of Employees	Average Personnel Cost per Employee R'000
Highly Skilled Supervision (Levels 9-12)	44 019.00	28.30	709 984.00	155 633.00
Senior Management (Levels 13-16)	11 601.00	7.50	1 289 000.00	155 633.00
Contract (Levels 1-2)	1 974.00	1.30	85 826.00	155 633.00
Contract (Levels 3-5)	2 927.00	1.90	182 938.00	155 633.00
Contract (Level 6-8)	224.00	0.10	0.00	155 633.00
Contract (Levels 9-12)	4 104.00	2.60	820 800.00	155 633.00
Contract (Levels 13-16)	828.00	0.50	828 000.00	155 633.00
Periodical Remuneration	2 765.00	1.80	14 036.00	155 633.00
Abnormal Appointments	1 209.00	0.80	31.816.00	38.00
<b>Total</b>	<b>153 015.00</b>	<b>98.30</b>	<b>250 025.00</b>	<b>155 633.00</b>

Table 3.1.3: Salaries, Overtime, Home Owners Allowance and Medical Aid By Programme for the Period 1 April 2017 to 31 March 2018

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid		Total personnel cost per salary band
	Amount (R'000)	Salaries as a % of Personnel Cost	Amount (R'000)	Overtime as a % of Personnel Cost	Amount (R'000)	Home Owners Allowance as a % of Personnel Cost	Amount (R'000)	Medical Aid as a % of Personnel Cost	
Administration	44 235.00	84.10	204.00	0.40	923.00	1.80	1892.00	3.60	52 623.00
Civilian Oversight	14 546.00	80.80	0.00	0.00	346.00	1.90	763.00	4.20	18 012.00
Transport Operations	11 977.00	85.30	25.00	0.20	251.00	1.80	628.00	4.50	14 049.00
Transport Regulations	54947.00	77.40	1091.00	1.50	2504.00	3.50	5033.00	7.10	70 950.00
<b>Total</b>	<b>125 705</b>	<b>80.8</b>	<b>1 320</b>	<b>1</b>	<b>4 024</b>	<b>2.6</b>	<b>8 316</b>	<b>5.3</b>	<b>155 634</b>

Table 3.1.4: Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band for the period 1 April 2017 to 31 March 2018

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid		Total personnel cost per salary band (R'000)
	Amount (R'000)	Salaries as a % of Personnel Cost	Amount (R'000)	Overtime as a % of Personnel Cost	Amount (R'000)	Home Owners Allowance as a % of Personnel Cost	Amount (R'000)	Medical Aid as a % of Personnel Cost	
Skilled (Levels 3-5)	13 072.00	74.40	9.00	0.10	821.00	4.70	1992.00	11.30	17 560.00
Highly Skilled (Levels 6-8)	51 171.00	77.30	1075.00	1.60	2582.00	3.90	4 885.00	7.40	66 222.00

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid		Total personnel cost per salary band (R'000)
	Amount (R'000)	Salaries as a % of Personnel Cost	Amount (R'000)	Overtime as a % of Personnel Cost	Amount (R'000)	Home Owners Allowance as a % of Personnel Cost	Amount (R'000)	Medical Aid as a % of Personnel Cost	
Highly Skilled Supervision (Levels 9-12)	37 270.00	82.00	235.00	0.50	571.00	1.30	1331.00	2.90	45 455.00
Senior Management (Levels 13-16)	10 396.00	85.60	0.00	0.00	50.00	0.40	107.00	0.90	12 141.00
Contract (Levels 1-2)	1 972.00	99.90	0.00	0.00	0.00	0.00	0.00	0.00	1 974.00
Contract (Levels 3-5)	2 962.00	99.70	0.00	0.00	0.00	0.00	0.00	0.00	2 935.00
Contract (Level 6-8)	224.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	224.00
Contract (Levels 9-12)	3 874.00	89.70	0.00	0.00	0.00	0.00	0.00	0.00	4 319.00
Contract (Levels 13-16)	828.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	828.00
Periodical Remuneration	2 765.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	2 765.00
Abnormal Appointments	1 208.00	99.80	0.00	0.00	0.00	0.00	0.00	0.00	1210.00
<b>Total</b>	<b>125 705.00</b>	<b>80.80</b>	<b>1320.00</b>	<b>0.80</b>	<b>4024.00</b>	<b>2.60</b>	<b>8316.00</b>	<b>5.30</b>	<b>155 633.00</b>

#### 4.2.2. 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

Table 3.2.1: Employment and Vacancies by Programme as on 31 March 2018

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration	133	109	18	0
Civilian Oversight	42	34	19	0
Transport Operations	29	27	6.90	0
Transport Regulations	237	207	12.70	0
<b>Total</b>	<b>441.00</b>	<b>377.00</b>	<b>14.5</b>	<b>0</b>

Table 3.2.2: Employment and Vacancies by Salary Band as on 31 March 2018

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Level 1-2)	1.00	0.00	100.00	0.00
Skilled (Levels 3-5)	87.00	70.00	19.50	0.00
Highly Skilled (Levels 6-8)	223.00	191.00	14.30	0.00
Highly Skilled Supervision	75.00	62.00	17.30	0.00

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
(Levels 9-12)				
Senior Management (Levels 13-16)	10.00	9.00	10.00	0.00
Contract (Levels 1-2)	23.00	23.00	0.00	0.00
Contract (Levels 3-5)	16.00	16.00	0.00	0.00
Contract (Level 6-8)	0.00	0.00	0.00	0.00
Contract (Levels 9-12)	5.00	5.00	0.00	0.00
Contract (Levels 13-16)	1.00	1.00	0.00	0.00
Abnormal Appointments	0	0	0	0
<b>Total</b>	<b>441.00</b>	<b>337.00</b>	<b>14.50</b>	<b>0.00</b>

Table 3.2.3: Employment and Vacancies by Critical Occupation as on the 31 March 2018

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Employees additional to the Establishment
Administrative related, Permanent	87.00	74.00	14.90	0.00
Cleaners in offices workshops hospitals etc., Permanent	29.00	26.00	10.30	0.00
Computer system designers and analysts., Permanent	2.00	2.00	0.00	0.00
Finance and economics related,	2.00	2.00	0.00	0.00



Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Employees additional to the Establishment
permanent				
Financial and related professionals, Permanent	2.00	2.00	0.00	0.00
Financial clerks and credit controllers, Permanent	12.00	12.00	0.00	0.00
General legal administration & rel. professionals, Permanent	2.00	2.00	0.00	0.00
Human resources clerks, Permanent	9.00	4.00	55.60	0.00
Human resources related, Permanent	3.00	2.00	33.30	0.00
Legal related, Permanent	1.00	0.00	100.00	0.00
Library mail and related clerks, Permanent	5.00	4.00	20.00	0.00
Light vehicle drivers, Permanent	1.00	1.00	0.00	0.00
Messengers porters and deliverers, Permanent	2.00	2.00	0.00	0.00
Other administrative & related clerks and organisers, Permanent	89.00	72.00	19.10	0.00
Other administrative policy and	20.00	16.00	20.00	0.00

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Employees additional to the Establishment
related officers, Permanent				
Other occupations, Permanent	2.00	1.00	50.00	0.00
Regulatory inspectors, Permanent	155.00	139.00	10.30	0.00
Secretaries & other keyboard operating clerks, Permanent	10.00	8.00	20.00	0.00
Security officers, Permanent	2.00	2.00	0.00	0.00
Senior managers, Permanent	6.00	6.00	0.00	0.00
<b>Total</b>	<b>441.00</b>	<b>377.00</b>	<b>14.50</b>	<b>0.00</b>

#### 4.2.3. Filling of SMS Posts

Table 3.3.1: SMS Post Information as on 31 March 2018

SMS Level	Total Number of Funded SMS Posts	Total Number of SMS Posts Filled	% Of SMS Posts Filled	Total Number of SMS Posts Vacant	% of SMS Posts Vacant
Head of Department	1	1	100	0	0
Chief Financial Officer	1	1	100	0	0
Directors	7	6	86	1	14
Contract (Level 13-16)	0	1	100	0	0
<b>Total</b>	<b>9</b>	<b>8</b>	<b>89</b>	<b>1</b>	<b>11</b>

Table 3.3.2: SMS Post Information as on 30 September 2017

SMS Level	Total Number of Funded SPS Posts	Total Number of SMS Posts Filled	% Of SMS Posts Filled	Total Number of SMS Posts Vacant	% of SMS Posts Vacant
Head of Department	1	1	100	0	0
Chief Financial Officer	1	1	100	0	0
Directors	7	6	86	1	14
Contract (Level 13-16)	0	1	100	0	0
<b>Total</b>	<b>9</b>	<b>8</b>	<b>89</b>	<b>1</b>	<b>11</b>

Table 3.3.3: Advertising and Filling of SMS Post for the Period 1 April 2017 to 31 March 2018

SMS Level	Total Number of Funded SMS Posts	Total Number of SMS Posts Filled	% Of SMS Posts Filled	Total Number of SMS Posts Vacant	% of SMS Posts Vacant
Head of Department	1	1	100	0	0
Chief Financial Officer	1	1	100	0	0
Directors	7	6	86	1	14
Contract (Level 13-16)	0	1	100	0	0
<b>Total</b>	<b>9</b>	<b>8</b>	<b>89</b>	<b>1</b>	<b>11</b>

Table 3.3.4: Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2016 to 31 March 2018

Reasons for Vacancies not Advertised within Six Months
Post is advertised immediately after becoming vacant, facilitated by Office of the Premier

**Reasons for Vacancies not Filled within Six Months**

Moratorium placed on the filling of all posts in the Province

**Table 3.3.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2017 to 31 March 2018**

**Reasons for Vacancies not Advertised within Six Months**

N/A

**Reasons for Vacancies not Filled within Six Months**

Moratorium placed on the filling of all posts in the Province

**4.2.4. Job Evaluation**

**Table 3.4.1: Job Evaluation by Salary Band for the Period 1 April 2017 to 31 March 2018**

Salary Band	Number of Posts	Number of Jobs Evaluated	% Of Posts Evaluated by Salary Band	Posts Upgraded		Posts Downgraded	
				Number	% Of Posts Evaluated	Number	% Of Posts Evaluated
Lower skilled (Level 1-2)	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Level 1-2)	23.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Level 3-5)	16.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Level 6-8)	0.00	0.00	0.00	6.00	0.00	0.00	0.00
Contract (Level 9-12)	5.00	0.00	0.00	102.00	91.18	0.00	0.00
Contract	1.00	0.00	0.00	9.00	0.00	0.00	0.00

Salary Band	Number of Posts	Number of Jobs Evaluated	% Of Posts Evaluated by Salary Band	Posts Upgraded		Posts Downgraded	
				Number	% Of Posts Evaluated	Number	% Of Posts Evaluated
(Band A)							
Skilled (Levels 3-5)	87.00	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled production (Levels 6-8)	223.00	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled supervision (Levels 9-12)	75.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band A	6.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band B	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band C	1.00	0.00	0.00	1.00	0.00	0.00	0.00
Senior Management Service Band D	2.00	1.00	100.00	1.00	100.00	0.00	0.00
<b>Total</b>	<b>441.00</b>	<b>1.00</b>	<b>0.20</b>	<b>119.00</b>	<b>78.99</b>	<b>0.00</b>	<b>0.00</b>

Table 3.4.2: Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2017 to 31 March 2018

Gender	African		Asian		Coloured		White		Total
<b>Female</b>		0.00		0.00		0.00		0.00	0.00
<b>Male</b>		0.00		0.00		0.00		0.00	0.00

<b>Total</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>Employees With Disability</b>						<b>0</b>

**Table 3.4.3: Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2017 to 31 March 2018**

<b>Occupation</b>	<b>Number of Employees</b>	<b>Job Evaluation Level</b>	<b>Remuneration Level</b>	<b>Reason for Deviation</b>	
<b>All categories</b>	0.00	0.00	0.00	0.00	
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>					0.00
<b>Percentage of total employed</b>					0.00

**Table 3.4.4: Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2017 to 31 March 2018**

<b>Gender</b>	<b>African</b>	<b>Asian</b>	<b>Coloured</b>	<b>White</b>	<b>Total</b>
<b>Female</b>	0.00	0.00	0.00	0.00	0.00
<b>Male</b>	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	0.00	0.00	0.00	0.00	0.00
<b>Employees With Disability</b>					<b>0</b>

#### 4.2.5. Employment Changes

Table 3.5.1: Annual turnover rates by salary band for the period 1 April 2017 to 31 March 2018

Salary Band	Number of Employees at Beginning of Period – 1 April 2017	Appointments and Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Skilled (Levels 3-5)	130.00	0.00	3.00	2.30
Highly skilled production (Levels 6-8)	147.00	0.00	7.00	4.80
Highly skilled supervision (Levels 9-12)	58.00	0.00	3.00	5.20
Senior Management Service Band A	7.00	0.00	0.00	0.00
Senior Management Service Band B	1.00	0.00	0.00	0.00
Senior Management Service Band D	1.00	0.00	0.00	0.00
Contract (levels 1-2)	11.00	24.00	24.00	218.00
Contract (Levels 3-5), permanent	15.00	17.00	21.00	140.00
Contract (Level 6-8)	1.00	0.00	1.00	100.00
Contract (Level 9-12), permanent	6.00	4.00	5.00	83.30
<b>Total</b>	<b>378.00</b>	<b>46.00</b>	<b>65.00</b>	<b>17.20</b>



Table 3.5.2: Annual turnover rates by critical occupation for the period 1 April 2017 to 31 March 2018

Critical Occupation	Number of Employees at Beginning of Period – 1 April 2017	Appointments ad Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Administrative related, Permanent	77.00	9.00	16.00	20.80
Cleaners in offices workshops hospitals etc., Permanent	15.00	23.00	26.00	173.30
Computer system designers and analysts., Permanent	2.00	0.00	0.00	0.00
Finance and economics related, permanent	2.00	2.00	2.00	2.00
Financial and related professionals, Permanent	2.00	2.00	2.00	100.00
Financial clerks and credit controllers, Permanent	11.00	1.00	0.00	0.00
General legal administration & rel. professionals, Permanent	2.00	0.00	0.00	0.00
Human resources related, Permanent	8.00	0.00	2.00	25.00
Legal related, Permanent	2.00	0.00	1.00	50.00
Library mail and related clerks, Permanent	5.00	0.00	1.00	20.00
Messengers, porters and deliverers, Permanent	2.00	0.00	0.00	0.00

Critical Occupation	Number of Employees at Beginning of Period – 1 April 2017	Appointments ad Transfers into the Department	Terminations and Transfers out of the Department	Turnover Rate
Other administrative & related clerks and organisers, Permanent	74.00	7.00	10.00	13.50
Other administrative policy and related officers, Permanent	18.00	0.00	2.00	11.10
Other occupations, Permanent	1.00	0.00	0.00	0.00
Regulatory inspectors, Permanent	141.00	0.00	2.00	1.40
Secretaries & other keyboard operating clerks, Permanent	8.00	1.00	1.00	12.50
Security officers, Permanent	2.00	0.00	0.00	0.00
Senior managers, Permanent	5.00	3.00	2.00	40.00
<b>Total</b>	<b>378.00</b>	<b>46.00</b>	<b>65.00</b>	<b>17.20</b>

Table 3.5.3: Reasons why staff left the department for the period 1 April 2017 to 31 March 2018

Termination Type	Number	% Of Total Resignations
Death	0	0
Dismissal, misconduct, permanent	0	0
Resignation	10.00	15.40%
Expiry of contract	50.00	76.90%

Retirements	5.00	7.70%
<b>Total</b>	65.00	100.00
<b>Total number of employees who left as a % of total employment</b>	<b>377</b>	<b>17</b>

**Table 3.5.4: Promotions by critical occupation for the period 1 April 2017 to 31 March 2018**

<b>Occupation</b>	<b>Employees as at 1 April 2017</b>	<b>Promotions to another Salary Level</b>	<b>Salary Level Promotions as a % of Employees by Occupation</b>	<b>Progressions to another Notch within a Salary Level</b>	<b>Notch Progression as a % of Employees by Occupation</b>
Administrated related	77.00	0.00	0.00	60.00	77.90
Cleaners in Offices	15.00	0.00	0.00	4.00	26.70
Computer system designers and analysts	2.00	0.00	0.00	1.00	50.00
Finance and economics related	2.00	0.00	0.00	2.00	100.00
Financial and related professionals	2.00	0.00	0.00	1.00	50.00
Financial clerks and credit controllers	11.00	0.00	0.00	10.00	90.90
General legal administration and related professionals	2.00	0.00	0.00	0.00	0.00
Human resource clerks	8.00	0.00	0.00	6.00	75.00
Human resources related	2.00	0.00	0.00	2.00	100.00
Library mail and related	5.00	0.00	0.00	4.00	80.00

Occupation	Employees as at 1 April 2017	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
clerks					
Messengers, porters and deliverers	2.00	0.00	0.00	2.00	100.00
Other administrative and related clerks and organisers	74.00	0.00	0.00	51.00	68.90
Other administrative policy and related officers	18.00	0.00	0.00	14.00	77.80
Other occupations	1.00	2.00	200.00	0.00	0.00
Regulatory inspectors	141.00	0.00	0.00	129.00	91.50
Secretaries and other keyboard operating clerks	8.00	0.00	0.00	6.00	75.00
Security officers	2.00	0.00	0.00	2.00	100.00
Senior managers	5.00	0.00	0.00	1.00	20.00
<b>Total</b>	<b>378.00</b>	<b>2.00</b>	<b>0.50</b>	<b>295.00</b>	<b>78.00</b>

Table 3.5.5: Promotions by salary band for the period 1 April 2017 to 31 March 2018

Salary Band	Employees as at 1 April 2017	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
Skilled (Levels 3-5)	130.00	0.00	0.00	61.00	46.90
Highly skilled production (Levels 6-8)	147.00	0.00	0.00	172.00	117.00
Highly skilled supervision (Levels 9-12)	58.00	0.00	0.00	54.00	93.10
Senior management (Levels 13-16)	10.00	2.00	20.00	4.00	40.00
Contract ( level 1-2), permanent	11.00	0.00	0.00	0.00	0.00
Contract (levels 3-5)	15.00	0.00	0.00	1.00	6.70
Contract (Levels 6-8)	1.00	0.00	0.00	1.00	100.00
Contract (level 9-12), permanent	6.00	0.00	0.00	2.00	33.30
Contract (Level 13-16)	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>378.00</b>	<b>2.00</b>	<b>0.50</b>	<b>295.00</b>	<b>78.00</b>

#### 4.2.6. 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 2018

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	7.00	1.00	0.00	0.00	1.00	0.00	0.00	0.00	9.00
Professionals	20.00	12.00	0.00	5.00	15.00	8.00	0.00	2.00	62.00
Technicians and Associate Professionals	66.00	27.00	0.00	0.00	61.00	31.00	2.00	4.00	191.00
Clerks	15.00	7.00	0.00	0.00	34.00	12.00	2.00	0.00	70.00
Service and Sales Workers									
Elementary Occupations									
<b>Total</b>	<b>108</b>	<b>47</b>	<b>0</b>	<b>5</b>	<b>111</b>	<b>52</b>	<b>4</b>	<b>6</b>	<b>332</b>
Employees with Disabilities	1.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	2.00

Table 3.6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2018

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
Senior Management	5.00	1.00	0.00	0.00	1.00	0.00	0.00	0.00	7.00
Professionally qualified and experienced specialists and mid-management	20.00	12.00	0.00	5.00	15.00	8.00	0.00	2.00	62.00
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	66.00	27.00	0.00	0.00	61.00	31.00	2.00	4.00	191.00
Semi-skilled and discretionary decision making	15.00	7.00	0.00	0.00	34.00	12.00	2.00	0.00	70.00
Unskilled and defined decision making, permanent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Senior Management)	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00
Contract (Professionally qualified), Permanent	1.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00
Contract (Semi-skilled), Permanent	4.00	3.00	0.00	0.00	6.00	3.00	0.00	0.00	16.00
Contract (unskilled), permanent	0.00	3.00	0.00	0.00	12.00	8.00	0.00	0.00	23.00
<b>TOTAL</b>	<b>113.00</b>	<b>57.00</b>	<b>0.00</b>	<b>5.00</b>	<b>129.00</b>	<b>63.00</b>	<b>4.00</b>	<b>6.00</b>	<b>377.00</b>

Table 3.6.3: Recruitment for the period 1 April 2016 and 31 March 2018

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professionally qualified and experienced specialist	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Semi-skilled and discretionary decision making	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Professionally qualified), Permanent	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00
Contract (Unskilled technician)	0.00	2.00	0.00	0.00	0.00	2.00	0.00	0.00	4.00
Contract (Semi-skilled), Permanent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.00
Contract ( unskilled), permanent	5.00	3.00	0.00	0.00	6.00	3.00	0.00	0.00	17.00
<b>TOTAL</b>	<b>0.00</b>	<b>3.00</b>	<b>0.00</b>	<b>0.00</b>	<b>13.00</b>	<b>8.00</b>	<b>0.00</b>	<b>0.00</b>	<b>24.00</b>
	<b>5.00</b>	<b>8.00</b>	<b>0.00</b>	<b>0.00</b>	<b>19.00</b>	<b>14.00</b>	<b>0.00</b>	<b>0.00</b>	<b>46.00</b>

Table 3.6.4: Promotions for the period 1 April 2017 to 31 March 2018

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professionally qualified and experienced specialists and mid-management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Semi-skilled and discretionary decision making	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00	1.00
Contract (Skilled technical), permanent	0.00	2.00	0.00	0.00	0.00	2.00	0.00	0.00	4.00
Contract ( unskilled), permanent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.00

Table 3.6.5: Terminations for the period 1 April 2017 to 31 March 2018

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professionally qualified and experienced specialist	0.00	1.00	0.00	0.00	1.00	1.00	0.00	0.00	3.00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0.00	1.00	0.00	1.00	2.00	2.00	0.00	1.00	7.00
Semi-skilled and discretionary decision making	1.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	3.00
Contract(Professionally qualified), permanent	0.00	3.00	0.00	0.00	0.00	1.00	0.00	1.00	5.00
Contract (semi-skilled), permanent	5.00	3.00	0.00	0.00	9.00	4.00	0.00	0.00	21.00
Contract(Unskilled), permanent	0.00	2.00	0.00	0.00	11.00	11.00	0.00	0.00	24.00
<b>Total</b>	<b>6.00</b>	<b>8.00</b>	<b>0.00</b>	<b>1.00</b>	<b>14.00</b>	<b>11.00</b>	<b>21.00</b>	<b>0.00</b>	

Table 3.6.6: Disciplinary action for the period 1 April 2017 to 31 March 2018

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Written warning									
Final written warning									
Not guilty									
Dismissal									
<b>Total</b>									<b>None</b>

Table 3.6.7: Skills development for the period 1 April 2017 to 31 March 2018

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	44	14		1	28	10		2	99
Professionals	3	5			1			1	10
Technicians and associate professionals	15	11			14	9			49
Clerks	8	9			9	6			32
Service and sales workers									
Skilled agriculture and fishery workers									
Craft and related trades workers									
Plant and machine operators and assemblers									
Elementary occupations									
<b>Total</b>	<b>70</b>	<b>39</b>		<b>1</b>	<b>52</b>	<b>25</b>		<b>3</b>	<b>190</b>
<b>Employees with disabilities</b>									

#### 4.2.7. Signing of Performance Agreements by SMS Members

Table 3.7.1: Signing of Performance Agreements by SMS members as on 31 May 2017

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department				
Salary Level 16	1	1	1	100%
Salary Level 15	1	1	1	100%
Salary Level 14	1	1	1	100%
Salary Level 13	7	7	6	85%
<b>Total</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>90%</b>

Table 3.7.2: Reasons for not having concluded Performance Agreements for all SMS members as on the 31 May 2017

<b>Reasons</b>
<b>None</b>

Table 3.7.3: Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on the 31 May 2017

<b>Reasons</b>
<b>None</b>

#### 4.2.8. Performance Rewards

Table 3.8.1: Performance Rewards by race, gender, and disability for the period 1 April 2017 to 31 March 2018

Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average Cost per employee
African, Female	67.00	129.00	51.90	927.62	13 845.00
African, Male	60.00	112.00	53.60	902.51	15 042.00
Asian, Female	3.00	3.00	100.00	30.95	10 317.00
Asian, Male	0.00	0.00	0.00	0.00	0.00
Coloured, Female	33.00	63.00	52.40	426.42	12 922.00
Coloured, Male	23.00	57.00	40.40	392.25	17 055.00
Total Blacks, Female	103.00	195.00	52.80	1384.99	13 447.00
Total Blacks, Male	83.00	169.00	49.10	1294.76	15 600.00
White, Female	5.00	6.00	83.30	74.48	14 896.00
White, Male	5.00	5.00	100.00	136.87	27 375.00
Employees with a disability	0.00	2.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>196.00</b>	<b>377.00</b>	<b>52.00</b>	<b>2891.10</b>	<b>14 751.00</b>

**Table 3.8.2: Performance Rewards by salary bands for personnel below Senior Management Service for the period 1 April 2017 to 31 March 2018**

Salary Bands	Beneficiary Profile			Cost		
	Number of Beneficiaries	Number of Employees	% Of Total within Salary Bands	Total Cost (R'000)	Average Cost per Employee	
Skilled (Levels 3-5)	32.00	70.00	45.70	237.10	7409.00	
Highly Skilled Production (Levels 6-8)	117.00	191.00	61.30	1273.42	10 884.00	
Highly Skilled Supervision (Levels 9 – 12)	39.00	62.00	62.90	1030.52	26 424.00	
Contract (Levels 1 -2)	0.00	23.00	0.00	0.00	0.00	
Contract (Level 3- 5)	1.00	16.00	6.30	5.03	5027.00	
Contract (Level 6-8)	0.00	0.00	0.00	0.00	0.00	
Contract (Level 9-12)	1.00	5.00	20.00	36.31	36.314.00	
<b>Total</b>	<b>191.00</b>	<b>367.00</b>	<b>52.00</b>	<b>2592.94</b>	<b>13576.00</b>	

**Table 3.8.3: Performance Rewards by Critical Occupation for the period 1 April 2017 to 31 March 2018**

Critical Occupation	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of Total within Occupation	Total Cost	Average Cost per Employee
Administrative related	40.00	74.00	54.10	839.55	20 989.00
Cleaners in offices workshops hospitals etc.	2.00	26.00	7.70	10.98	5492.00
Computer system designers and analysts.	0.00	2.00	0.00	0.00	0.00
Finance and economics	2.00	2.00	100.00	75.94	37 972.00

Critical Occupation	Beneficiary Profile				Total Cost	Average Cost per Employee
	Number of Beneficiaries	Number of Employees	% of Total within Occupation			
related						
Financial and related professionals	0.00	2.00	0.00	0.00	0.00	0.00
Financial clerks and credit controllers	9.00	12.00	75.00	105.95	11 773.00	
General legal administration & rel. professionals	0.00	2.00	0.00	0.00	0.00	0.00
Human resources clerks	6.00	4.00	150.00	72.60	12 100.00	
Human resources related	2.00	2.00	100.00	38.01	19 006.00	
Library mail and related clerks	3.00	4.00	75.00	31.73	10 576.00	
Messengers porters and deliverers	2.00	2.00	100.00	12.95	6 475.00	
Other administrative & related clerks and organizers	31.00	72.00	43.10	305.16	9 844.00	
Other administrative policy and related officers	11.00	16.00	68.80	162.10	14 736.00	
Other occupations	0.00	1.00	0.00	0.00	0.00	0.00
Rank unknown	0.00	0.00	0.00	0.00	0.00	0.00



Critical Occupation	Beneficiary Profile				Total Cost	Average Cost per Employee
	Number of Beneficiaries	Number of Employees	% of Total within Occupation			
Regulatory inspectors	79.00	139.00	56.80	943.38	11 941.00	
Secretaries & other keyboard operating clerks	5.00	8.00	62.50	59.24	11 848.00	
Security officers	1.00	2.00	50.00	37.41	37 411.00	
Senior managers	3.00	6.00	50.00	196.09	65 365.00	
<b>TOTAL</b>	<b>196</b>	<b>374</b>	<b>52.4</b>	<b>2,891.09</b>	<b>1,405.75</b>	

Table 3.8.4: Performance related rewards (cash bonus), by salary band, for Senior Management Service for the period 1 April 2017 to 31 March 2018

Salary Band	Beneficiary Profile						
	Number of Beneficiaries	Number of Employees	% of Total within Occupation	Total Cost	Average Cost per Employee	% of SMS wage Bill	Personnel cost SMS (R'000)
Band A	5.00	7.00	71.40	298.17	59 633.10	3.70	8140.81
Band B	0.00	1.00	0.00	0.00	0.00	0.00	1377.13
Band C	0.00	1.00	0.00	0.00	0.00	0.00	1387.30
Band D	0.00	1.00	0.00	0.00	0.00	0.00	2062.86
<b>Total</b>	<b>5.00</b>	<b>10.00</b>	<b>50.00</b>	<b>298.17</b>	<b>59 633.10</b>	<b>2.30</b>	<b>12 968.10</b>

#### 4.2.9. Foreign Workers

Table 3.9.1: Foreign Worker by major occupation for the period 1 April 2017 to 31 March 2018

Salary Band	1 April 2017		31 March 2017		Change Number	% of Total
	Number	% of Total	Number	% of Total		
None	0.00	0.00	0.00	0.00	0.00	0.00

#### 4.2.10. Leave Utilisation

Table 3.10.1: Sick Leave for the period 1 January 2017 to 31 December 2017

Salary Band	Total Days	% Days with Medical Certificate	Number of Employees using Sick Leave	% of Employees using Sick Leave	Average Days per Employee	Estimated Costs R'000	Total number of employees using sick leave	Total number of days with medical certification
Skilled (Levels 3-5)	704.00	77.60	76.00	23.30	9.00	550.00	326.00	546.00
Highly Skilled Production (Levels 6-8)	1368.00	74.30	173.00	53.10	8.00	1572.00	326.00	1017.00
Highly Skilled Supervision (Levels 9 – 12)	407.00	86.70	44.00	13.50	9.00	1028.00	326.00	353.00
Senior Management (Levels 13 – 16)	67.00	91.00	7.00	2.10	10.00	249.00	326.00	61.00
Contract (Levels 1 – 2)	61.00	91.80	9.00	2.80	7.00	30.00	326.00	56.00
Contract (Level 3-5)	62.00	79.00	12.00	3.70	5.00	47.00	326.00	49.00
Contract (Level 9 – 12)	23.00	82.60	4.00	1.20	6.00	62.00	326.00	19.00
Contract (Levels 6 – 8))	2.00	10.00	1.00	0.30	2.00	2.00	326.00	2.00
<b>Total</b>	<b>2694.00</b>	<b>78.10</b>	<b>326.00</b>	<b>100.00</b>	<b>8.00</b>	<b>3540.00</b>	<b>326.00</b>	<b>2103.00</b>

Table 3.10.2: Disability leave (temporary and permanent) for the period 1 January 2017 to 31 December 2017

Salary Band	Total Days	% Days with Medical Certificate	Number of Employees using Disability Leave	% of Employees using Disability Leave	Average Days per Employee	Estimated Costs R'000	Total number of days with medical certification	Total number of employees using disability leave
Skilled (Levels 3-5)	2.00	100.00	1.00	4.30	2.00	1.00	2.00	23.00
Highly Skilled Production (Levels 6-8)	187.00	100.00	8.00	34.80	23.00	264.00	187.00	23.00
Highly Skilled Supervision (Levels 9 – 12)	136.00	100.00	7.00	30.40	19.00	314.00	136.00	23.00
Contract (Levels 1-2)	15.00	100.00	1.00	4.30	15.00	64.00	15.00	23.00
Contract (Levels 9-12)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>509.00</b>	<b>100.00</b>	<b>23.00</b>	<b>100.00</b>	<b>22.00</b>	<b>786.00</b>	<b>509.00</b>	<b>23.00</b>

Table 3.10.3: Annual Leave for the period 1 January 2017 to 31 December 2017

Salary Band	Total Days Taken	Number of Employees using Annual Leave	Average Per Employee
Skilled (Levels 3-5)	1768.00	18.00	98.00
Highly Skilled Production (Levels 6-8)	4557.00	23.00	202.00
Highly Skilled Supervision (Levels 9 – 12)	1815.00	28.00	64.00
Senior Management (Levels 13 – 16)	248.00	25.00	10.00
Contract (Levels 1-2)	182.00	12.00	15.00
Contract (Level 3-5)	253.00	11.00	23.00
Contract (Level 6-8)	31.00	31.00	1.00
Contract (Levels 9-12)	64.00	11.00	6.00
<b>Total</b>	<b>248.00</b>	<b>25.00</b>	<b>10.00</b>
	<b>8923.00</b>	<b>21.00</b>	<b>420.00</b>

**Table 3.10.4: Capped leave for the period 1 January 2017 to 31 December 2017**

Salary Band	Total Days of Capped Leave Taken	Number of Employees using Capped Leave	Average Number of days taken Per Employee	Average Capped Leave per Employee as on 31 December 2014	Total number of capped leave available at end of period	Number of employees as at end of period
Skilled (Levels 3-5)	0.00	0.00	42.00	0.00	379.24	9.00
Highly Skilled Production (Levels 6-8)	0.00	0.00	51.00	0.00	1474.86	29.00
Highly Skilled Supervision (Levels 9 – 12)	75.00	15.00	51.00	5.00	1593.82	31.00
Senior Management (Levels 13 – 16)	0.00	0.00	70.00	0.00	349.30	5.00
<b>Total</b>	<b>75.00</b>	<b>15.00</b>	<b>51.00</b>	<b>5.00</b>	<b>3797.22</b>	<b>74.00</b>

**Table 3.10.5: Leave pay-outs for the period 1 April 2017 to 31 March 2018**

Reason	Total Amount (R'000)	Number of Employees	Average Per Employee
Capped leave pay outs on termination of service for 2013/14	472.00	8.00	59.000.00
Current leave pay out on termination of service for 2013/14	2.00	1.00	2000.00
<b>Total</b>	<b>474.00</b>	<b>9.00</b>	<b>52.667.00</b>

#### 4.2.11. HIV/AIDS & Health Promotion Programmes

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

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	HCT Campaign Health information distributed and awareness sessions conducted.

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.		X	
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.	X		Acting Human Resource Manager and an Intern, with assistance of OTP
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		HCT Screenings, Testing's and Counselling
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		Sports Committee (Mr P. Telekelo, Ms T. Mthembu, Ms K. Paai and Mr N. Masimini) SHERQ Committee Mr S. Zikhupelo, Ms W. Pharasi, Mr P. Telekelo,
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.	X		HIV, STI and TB Policy is being reviewed
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.	X		HIV, STI and TB Policy assisting with measures to protect employees from Discrimination



Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		Yes counselling is provided with each HCT Screening
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		X	

#### 4.2.12. Labour Relations

Table 3.12.1: Collective agreements for the period 1 April 2017 to 31 March 2018

Total Number of Collective Agreements	N/A
N/A	N/A

Table 3.12.2: Misconduct and disciplinary hearings finalised for the period 1 April 2017 to 31 March 2018

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	1	0.09
Fine	0	0
Demotion	1	0.09
Dismissal (Discharge for operational requirements)	0	0
Transfer Out	0	0
Not Guilty	0	0

Outcomes of disciplinary hearings	Number	% of total
Case withdrawn	0	0
Resignations	0	0
<b>Total</b>	<b>2</b>	<b>0.09</b>

**Table 3.12.3: Types of misconduct addressed at disciplinary hearings for the period 1 April 2017 to 31 March 2018**

Type of Misconduct	Number	% of Total
Financial misconduct	3	33
Ordinary misconduct	6	67
<b>Total</b>	<b>9</b>	<b>100</b>

**Table 3.12.4: Grievances lodged for the period 1 April 2017 to 31 March 2018**

Grievance Lodged / Resolved	Number	% of Total
Number of grievances resolved	34	75
Number of grievances not resolved	11	25
<b>Total</b>	<b>45</b>	<b>100</b>

**Table 3.12.5: Disputes lodged with Councils for the period 1 April 2017 to 31 March 2018**

Dispute Upheld/ Dismissed	Number	% of Total
Number of disputes upheld	10	100
Number of disputes dismissed	0	0
<b>Total</b>	<b>10</b>	<b>100</b>

**Table 3.12.6: Strike Action for the period 1 April 2017 to 31 March 2018**

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

**Table 3.12.7: Precautionary suspensions for the period 1 April 2017 to 31 March 2018**

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	116
Cost of suspensions (R'000)	75 002.12

#### 4.2.13. Skills Development

**Table 3.13.1: Training needs identified for the period 1 April 2017 to 31 March 2018**

Occupational Categories	Gender	Number of employees as at 1 April 2016	Training needs identified at start of reporting period				Total
			Learnerships	Skills Programmes & other short courses	Other forms of training		
Legislators, senior officials and managers	Female	2	0	3	N/A	3	
	Male	6	0	1	N/A	1	
Professionals	Female	27	0	4	N/A	27	
	Male	30	0	6	N/A	30	
Technicians and associate professionals	Female	44	0	6	N/A	44	
	Male	53	0	7	N/A	53	
Clerks	Female	62	14	4	N/A	76	

Occupational Categories	Gender	Number of employees as at 1 April 2016	Training needs identified at start of reporting period				Total
			Learnerships	Skills Programmes & other short courses	Other forms of training		
Service and sales workers	Male	10	3	4	N/A	13	
	Female	52	0	10	N/A	52	
	Male	35	0	10	N/A	35	
Elementary occupations	Female	0	0	0	0	0	
	Male	0	0	0	0	0	
<b>Sub Total</b>	Female	197	14	27	N/A	197	
	Male	134	3	28	N/A	134	
<b>Total</b>		<b>331</b>	<b>17</b>	<b>55</b>	<b>N/A</b>	<b>331</b>	

Table 3.13.2: Training provided for the period 1 April 2017 to 31 March 2018

Occupational Categories	Gender	Number of employees as at 1 April 2017	Training needs identified at start of reporting period				Total
			Learnerships	Skills Programmes & other short courses	Other forms of training		
Legislators, senior officials and managers	Female	0	0	0	N/A	0	
	Male	0	0	0	N/A	0	
Professionals	Female	0	0	0	N/A	5	
	Male	3	0	2	N/A	3	
Technicians and associate	Female	5	0	3	N/A	5	
	Male	5	0	3	N/A	5	

Occupational Categories	Gender	Number of employees as at 1 April 2017	Training needs identified at start of reporting period				Total
			Learnerships	Skills Programmes & other short courses	Other forms of training		
professionals							
Clerks	Female	28	13	2	N/A	41	
	Male	8	4	2	N/A	14	
Service and sales workers	Female	1	0	1	N/A	1	
	Male	1	0	1	N/A	1	
Elementary occupations	Female	0	0	0	N/A	0	
	Male	0	0	0	N/A	0	
<b>Sub Total</b>	Female	<b>47</b>	<b>13</b>	<b>1</b>	<b>N/A</b>	<b>47</b>	
	Male	<b>21</b>	<b>4</b>	<b>1</b>	<b>N/A</b>	<b>21</b>	
<b>Total</b>		<b>48</b>	<b>17</b>	<b>14</b>	<b>N/A</b>	<b>79</b>	

#### 4.2.14. Injury on Duty

Table 3.14.1: Injury on duty for the period 1 April 2017 to 31 March 2018

Nature of the Injury on Duty	Number	% of Total
Required basic medical attention only	None	None
Temporary Total Disablement	None	None
Permanent Disablement	None	None
Fatal	None	None
<b>Total</b>	<b>None</b>	<b>None</b>

#### 4.2.15. Utilisation of Consultants

Table 3.15.1: Report on consultant appointments using appropriated funds for the period 1 April 2017 to 31 March 2018

Project Title	Total Number of Consultants that Worked on the Project	Duration: Work Days	Contract Value in Rand
Monitoring of Bus Subsidies	Seven	One year	R893 896.32
<b>Total Number of Projects</b>	<b>Total Individual Consultants</b>	<b>Total Duration: Work Days</b>	<b>Total Contract Value in Rand</b>
One	Seven	One year	R893 896.32

Table 3.15.2: Analysis of Consultant appointments using appropriated funds in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 to 31 March 2018

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None			

**Table 3.15.3: Report on Consultant appointment using Donor Funds for the period 1 April 2017 to 31 March 2018**

Project Title	Total Number of Consultants that Worked on the Project	Duration: Work Days	Door and Contract Value in Rand
None			

**Table 3.15.4: Analysis of Consultant Appointment using Donor Funds. In terms of Historically Disadvantaged (HDI's) for the period 1 April 2017 to 31 March 2018**

Project Title	% Ownership by HDI Groups	% of Management by HDI Groups	Number of Consultants from HDI Group that Worked on the Project
None			

#### **4.2.16. Severance Packages**

**Table 3.16.1: Granting of Employees Initiated Severance Packages for the period 1 April 2017 to 31 March 2018**

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Skilled Levels 3-5	None	None	None	None
Highly skilled production (Levels 6-8)	None	None	None	None
Highly skilled supervision (Levels 9-12)	None	None	None	None
Senior Management (Levels 13 – 16)	None	None	None	None
<b>Total</b>				





# PART E

# FINANCIAL

# INFORMATION



## 5. FINANCIAL INFORMATION

### 5.1. REPORT OF THE AUDITOR GENERAL

#### Report on the audit of the financial statements

##### Opinion

1. I have audited the financial statements of the Northern Cape Department of Transport, Safety and Liaison set out on pages 131 to 208, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, 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 to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Northern Cape Department of Transport, Safety and Liaison as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (DoRA).

##### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### Emphasis of matters

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

### Contingent liabilities

7. With reference to note 18 to the financial statements, the department is the defendant in several legal disputes with various service providers and former employees due to alleged non-compliance with contracts and unfair dismissals, respectively. The department is opposing these claims. The ultimate outcome of the matters cannot presently be determined.

### Underspending of the vote

8. As disclosed in the appropriation statement, the department materially underspent the budget by R7 262 000 on Administration, Civilian Oversight, Transport Operations and Transport Regulations.

### Unauthorised expenditure

9. As disclosed in note 9 to the financial statements, unauthorised expenditure to the amount of R6 453 000 that was incurred in the previous years was not investigated.

### Irregular expenditure

10. As disclosed in note 24 to the financial statements, irregular expenditure of R703 237 000 that was incurred in the previous years was not investigated.

### Other matter paragraphs


11. The following other matter paragraphs will be included in our auditor's report to draw the users' attention to matters regarding the audit, the auditor's responsibilities and the auditor's report:

### Unaudited supplementary schedules

12. The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

### Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS prescribed by National Treasury and the requirements of the PFMA and 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.
14. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters



relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

### **Auditor-general's responsibilities for the audit of the financial statements**

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

<a href="#">Report on the audit of the annual performance report</a>
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### **Introduction and scope**

17. 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 material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
18. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected



programmes presented in the annual performance report of the department for the year ended 31 March 2018:

<b>Programmes</b>	<b>Pages in the annual performance report</b>
Programme 3 – Transport Operations	39 – 41
Programme 4 – Transport Regulation	42 – 45

20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
21. The material findings in respect of the usefulness and reliability of the selected programmes
22. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
  - Programme 3 – Transport Operations
  - Programme 4 – Transport Regulation

#### **Other matters**

23. I draw attention to the matters below.

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

24. Refer to the annual performance report on pages 26 to 45 for information on the achievement of planned targets for the year and explanations provided for the under or over achievement of a significant number of targets.

#### **Adjustment of material misstatements**

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Transport Operations and Transport Regulations. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

### **Introduction and scope**

26. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
27. The material findings on compliance with specific matters in key legislations are as follows:

### **Expenditure management**

28. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R187 997 000, as disclosed in note 24 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation (TR) 9.1.1. The majority of the irregular expenditure was caused by non-compliance with the supply chain management processes.
29. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by TR 8.2.3.

### **Procurement and contract management**

30. Sufficient appropriate audit evidence could not be obtained that goods and services of a transaction value above R500 000 were procured by means of inviting competitive bids and that deviations approved by the accounting officer were only if it was impractical to invite competitive bids, as required by TR 16A6.1 and 16A6.4. Similar non-compliance was also reported in the prior year.
31. The preference point system was not applied in some of the procurement of goods and services above R30 000 as required by section 2(a) of the PPPFA and TR 16A6.3(b).
32. Some of the quotations were awarded to bidders based on preference points that were not allocated and/or calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.
33. Some of the contracts were extended or modified without the approval of a properly delegated official as required by section 44 of the PFMA and TR 8.1 and 8.2

### **Consequence management**

34. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred unauthorised expenditure, irregular expenditure

and fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to the auditee failing to institute investigations into unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure to determine if disciplinary steps need to be taken against liable officials.

#### Other information

35. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
36. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
37. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
38. I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

#### Internal control deficiencies

39. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.



- The accounting officer did not review the annual performance report before submission for audit resulting in material adjustments.
- A plan to address internal and external audit findings was established, but management did not monitor adherence to the plan in a timely manner.
- The department did not have a proper filing system to maintain information that supported the reported performance in the annual performance report.
- Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored.

*Auditor-General*

Kimberley

31 July 2018



AUDITOR - GENERAL  
SOUTH AFRICA


*Auditing to build public confidence*

## Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the department’s compliance with respect to the selected subject matters.

### Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department’s internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a department to cease continuing as a going concern

- 
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

**Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

## 5.2. ANNUAL FINANCIAL STATEMENTS

Appropriation Statement for the year ended 31 March 2018																
Appropriation per programme																
2017/18											2016/17					
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure					
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	R'000				
<b>Voted funds and Direct charges</b>																
Programme																
1	83 651	-	1 435	85 086	80 516	4 570	94.6%	81 883	76 963	81 883	76 963					
2	25 437	-	(1 127)	24 310	24 165	145	99.4%	24 241	24 188	24 241	24 188					
3	214 478	-	14	214 492	212 070	2 422	98.9%	186 463	184 685	186 463	184 685					
4	93 980	-	(322)	93 658	93 533	125	99.9%	82 339	82 317	82 339	82 317					
	417 546	-	-	417 546	410 284	7 262	98.3%	374 926	368 153	374 926	368 153					
	417 546	-	-	417 546	410 284	7 262	98.3%	374 926	368 153	374 926	368 153					
<b>Reconciliation with Statement of Financial Performance</b>																
<b>Add</b>																
	Departmental receipts															
	-															
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>											<b>417 546</b>					
<b>Add:</b>	Aid assistance															
	Prior year unauthorised expenditure approved without funding															
<b>Actual amounts per Statement of Financial Performance Expenditure</b>											<b>410 284</b>		<b>368 153</b>			

Appropriation per economic classification

	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>353 960</b>	<b>(1 969)</b>	-	<b>351 991</b>	<b>349 559</b>	<b>2 432</b>	<b>99.3%</b>	<b>313 214</b>	<b>314 060</b>
Compensation of employees	155 813	(2 255)	(1 181)	152 377	152 346	31	100.0%	144 159	146 457
Salaries and wages	134 880	(2 425)	(1 008)	131 447	131 416	31	100.0%	125 055	126 603
Social contributions	20 933	170	(173)	20 930	20 930	-	100.0%	19 104	19 854
Goods and services	198 147	249	1 181	199 577	197 176	2 401	98.8%	169 051	167 599
Administrative fees	1 047	(51)	-	996	996	-	100.0%	1 146	1 146
Advertising	1 301	230	(60)	1 471	1 348	123	91.6%	448	448
Minor assets	139	(23)	-	116	116	-	100.0%	1 072	1 072
Audit costs: External	3 500	491	-	3 991	3 991	-	100.0%	3 487	3 124
Bursaries: Employees	685	141	-	826	826	-	100.0%	441	441
Catering: Departmental activities	1 317	81	(91)	1 307	1 307	-	100.0%	1 065	1 065
Communication (G&S)	2 655	(174)	-	2 481	2 481	-	100.0%	1 611	1 611
Computer services	4 914	857	-	5 771	5 771	-	100.0%	5 127	4 347
Consultants: Business and advisory Services	19 076	(1 689)	-	17 387	16 426	961	94.5%	1 702	1 702
Legal services	2	57	-	59	59	-	100.0%	733	733
Contractors	783	280	-	1 063	1 063	-	100.0%	1 013	1 013
Agency and support / outsourced	-	267	-	267	267	-	100.0%	496	496

Services																					
Fleet services (including government motor transport)	6 195	1 552	14	7 761	7 761	7 761	-	100.0%	-	5 745	5 745										
Inventory: Other supplies	29	(29)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Consumable supplies	1 589	1 050	49	2 688	2 688	2 688	-	100.0%	-	1 540	1 540										1 452
Consumable: Stationery printing and office supplies	3 056	(541)	-	2 515	2 515	2 515	-	100.0%	-	1 813	1 813										1 813
Operating leases	10 478	121	-	10 599	10 599	10 599	-	100.0%	-	9 987	9 987										9 977
Property payments	1 471	(209)	-	1 262	1 262	1 262	-	100.0%	-	1 242	1 242										1 242
Transport provided: Departmental Activity	125 400	275	-	125 675	124 358	124 358	1 317	99.0%	-	117 301	117 301										117 100
Travel and subsistence	9 661	(1 411)	1 269	9 519	9 519	9 519	-	100.0%	-	9 891	9 891										9 891
Training and development	1 402	(539)	-	863	863	863	-	100.0%	-	876	876										866
Operating payments	2 927	(437)	-	2 490	2 490	2 490	-	100.0%	-	2 114	2 114										2 114
Venues and facilities	520	(50)	-	470	470	470	-	100.0%	-	201	201										201
Interest and rent on land	-	37	-	37	37	37	-	100.0%	-	4	4										4
Interest (incl. interest on unitary payments (PPP))	-	37	-	37	37	37	-	100.0%	-	4	4										4
<b>Transfers and subsidies</b>	<b>55 875</b>	<b>1 374</b>	-	<b>57 249</b>	<b>57 103</b>	<b>57 103</b>	<b>146</b>	<b>99.7%</b>	-	<b>54 214</b>	<b>54 214</b>										<b>52 361</b>
Provinces and municipalities	18	-	-	18	9	9	9	50.0%	-	17	17										10
Municipalities	18	-	-	18	9	9	9	50.0%	-	17	17										10
Municipal bank accounts	18	-	-	18	9	9	9	50.0%	-	17	17										10
Departmental agencies and accounts	-	4	-	4	4	4	-	100.0%	-	2	2										2
Departmental agencies (non-business entities)	-	4	-	4	4	4	-	100.0%	-	2	2										2

Higher education institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign governments and international Organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public corporations and private Enterprises	52 898	908	-	53 806	53 799	7	100.0%	51 260	49 453										
Private enterprises	52 898	908	-	53 806	53 799	7	100.0%	51 260	49 453										
Subsidies on products and production (pe)	52 898	908	-	53 806	53 799	7	100.0%	51 260	49 453										
Non-profit institutions	2 379	-	-	2 379	2 249	130	94.5%	2 266	2 227										
Households	580	462	-	1 042	1 042	-	100.0%	669	669										
Social benefits	380	97	-	477	477	-	100.0%	500	500										
Other transfers to households	200	365	-	565	565	-	100.0%	169	169										
<b>Payments for capital assets</b>	<b>7 711</b>	<b>557</b>	-	<b>8 268</b>	<b>3 584</b>	<b>4 684</b>	<b>43.3%</b>	<b>7 480</b>	<b>1 714</b>										
Buildings and other fixed structures	650	(169)	(367)	114	-	114	-	-	-										
Buildings	650	(169)	(367)	114	-	114	-	-	-										
Machinery and equipment	7 001	719	367	8 087	3 517	4 570	43.5%	7 330	1 564										
Transport equipment	750	-	79	829	829	-	100.0%	845	-										
Other machinery and equipment	6 251	719	288	7 258	2 688	4 570	37.0%	6 485	1 564										
Software and other intangible assets	60	7	-	67	67	-	100.0%	150	150										
<b>Payment for financial assets</b>	<b>-</b>	<b>38</b>	-	<b>38</b>	<b>38</b>	-	<b>100.0%</b>	<b>18</b>	<b>18</b>										
	<b>417 546</b>	-	-	<b>417 546</b>	<b>410 284</b>	<b>7 262</b>	<b>98.3%</b>	<b>374 926</b>	<b>368 153</b>										



Programme 1: ADMINISTRATION

		2017/18						2016/17		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	<b>Sub programme</b>									
1	<b>OFFICE OF THE MEC</b>	11 178	384	1 435	12 997	12 997	-	100,0%	10 722	10 722
2	<b>MANAGEMENT</b>	7 327	283	-	7 610	7 610	-	100,0%	7 110	7 110
3	<b>FINANCIAL MANAGEMENT</b>	28 604	-	-	28 604	24 034	4 570	84,0%	28 363	23 443
4	<b>CORPORATE SERVICES</b>	36 542	(667)	-	35 875	35 875	-	100,0%	35 688	35 688
		<b>83 651</b>	<b>-</b>	<b>1 435</b>	<b>85 086</b>	<b>80 516</b>	<b>4 570</b>	<b>94,6%</b>	<b>81 883</b>	<b>76 963</b>

Economic classification																	
	<b>Current payments</b>	<b>77 829</b>	<b>(777)</b>	<b>1 435</b>	<b>78 487</b>	<b>78 487</b>	<b>-</b>	<b>100.0%</b>	<b>75 340</b>	<b>75 340</b>	<b>-</b>	<b>100.0%</b>	<b>75 340</b>	<b>75 340</b>	<b>-</b>	<b>100.0%</b>	<b>75 340</b>
	Compensation of employees	51 518	(1 745)	-	49 773	49 773	-	100.0%	47 544	47 544	-	100.0%	48 073	48 073	-	100.0%	48 073
	Salaries and wages	46 016	(2 051)	-	43 965	43 965	-	100.0%	42 197	42 197	-	100.0%	42 533	42 533	-	100.0%	42 533
	Social contributions	5 502	306	-	5 808	5 808	-	100.0%	5 347	5 347	-	100.0%	5 540	5 540	-	100.0%	5 540
	Goods and services	26 311	931	1 435	28 677	28 677	-	100.0%	27 792	27 792	-	100.0%	27 263	27 263	-	100.0%	27 263
	Administrative fees	504	(34)	-	470	470	-	100.0%	517	517	-	100.0%	517	517	-	100.0%	517
	Advertising	130	(48)	-	82	82	-	100.0%	104	104	-	100.0%	104	104	-	100.0%	104
	Minor assets	55	(2)	-	53	53	-	100.0%	570	570	-	100.0%	570	570	-	100.0%	570
	Audit costs: External	3 500	491	-	3 991	3 991	-	100.0%	3 487	3 487	-	100.0%	3 124	3 124	-	100.0%	3 124
	Bursaries: Employees	685	141	-	826	826	-	100.0%	441	441	-	100.0%	441	441	-	100.0%	441
	Catering: Departmental activities	402	(59)	-	343	343	-	100.0%	277	277	-	100.0%	277	277	-	100.0%	277
	Communication (G&S)	849	(264)	-	585	585	-	100.0%	429	429	-	100.0%	429	429	-	100.0%	429
	Computer services	3 922	830	-	4 752	4 752	-	100.0%	3 615	3 615	-	100.0%	3 469	3 469	-	100.0%	3 469
	Consultants: Business and advisory	-	8	-	8	8	-	100.0%	214	214	-	100.0%	214	214	-	100.0%	214
	Services																
	Legal services	2	57	-	59	59	-	100.0%	453	453	-	100.0%	453	453	-	100.0%	453
	Contractors	46	73	-	119	119	-	100.0%	231	231	-	100.0%	231	231	-	100.0%	231
	Agency and support / outsourced	-	-	-	-	-	-	-	51	51	-	-	51	51	-	-	51

Services																			
Fleet services (including government motor transport)	807	123	14	944	944														
Consumable supplies	421	212	49	682	682														
Consumable: Stationery printing and office supplies	774	(76)	-	698	698														
Operating leases	9 755	35	-	9 790	9 790														
Property payments	187	18	-	205	205														
Transport provided: Departmental Activity	-	126	-	126	126														
Travel and subsistence	3 353	(465)	1 372	4 260	4 260														
Training and development	215	(93)	-	122	122														
Operating payments	504	(98)	-	406	406														
Venues and facilities	200	(44)	-	156	156														
Interest and rent on land	-	37	-	37	37														
Interest (Incl. interest on unitary payments (PPP))	-	37	-	37	37														
<b>Transfers and subsidies</b>	<b>236</b>	<b>218</b>	-	<b>454</b>	<b>454</b>														
Departmental agencies and accounts	-	3	-	3	3														

	Departmental agencies (non-business entities)	-	3	-	3	3	-	100.0%	2	2
	Households	236	215	-	451	451	-	100.0%	509	509
	Social benefits	36	-	-	36	36	-	100.0%	340	340
	Other transfers to households	200	215	-	415	415	-	100.0%	169	169
	<b>Payments for capital assets</b>	<b>5 586</b>	<b>557</b>	-	<b>6 143</b>	<b>1 573</b>	<b>4 570</b>	<b>25.6%</b>	<b>6 026</b>	<b>1 106</b>
	Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
	Machinery and equipment	5 526	550	-	6 076	1 506	4 570	24.8%	5 882	962
	Other machinery and equipment	5 526	550	-	6 076	1 506	4 570	24.8%	5 882	962
	Heritage assets	-	-	-	-	-	-	-	-	-
	Specialised military assets	-	-	-	-	-	-	-	-	-
	Biological assets	-	-	-	-	-	-	-	-	-
	Land and sub-soil assets	-	-	-	-	-	-	-	-	-
	Software and other intangible assets	60	7	-	67	67	-	100.0%	144	144
	<b>Payment for financial assets</b>	-	<b>2</b>	-	<b>2</b>	<b>2</b>	-	<b>100.0%</b>	<b>6</b>	<b>6</b>
		<b>83 651</b>	-	<b>1 435</b>	<b>85 086</b>	<b>80 516</b>	<b>4 570</b>	<b>94.6%</b>	<b>81 883</b>	<b>76 963</b>

Programme 2: CIVILIAN OVERSIGHT

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1 PROGRAMME SUPPORT	12 496	(199)	(367)	11 930	11 816	114	99,0%	10 467	10 467
2 POLICY AND RESEARCH	2 612	331	-	2 943	2 943	-	100,0%	2 566	2 566
3 MONITORING AND EVALUATION	1 775	(99)	(161)	1 515	1 515	-	100,0%	1 745	1 745
4 SAFETY PROMOTION	3 706	(70)	(539)	3 097	3 097	-	100,0%	4 067	4 067
5 COMMUNITY POLICE RELATIONS	4 848	37	(60)	4 825	4 794	31	99,4%	5 396	5 343
	<b>25 437</b>	<b>-</b>	<b>(1 127)</b>	<b>24 310</b>	<b>24 165</b>	<b>145</b>	<b>99,4%</b>	<b>24 241</b>	<b>24 188</b>

Economic classification												
		24 479	(157)	(760)	23 562	23 531	31	99.9%	23 933	23 880		
<b>Current payments</b>												
Compensation of employees		20 893	(157)	(575)	20 161	20 130	31	99.8%	20 173	20 120		
Salaries and wages		18 177	80	(402)	17 855	17 824	31	99.8%	17 906	17 853		
Social contributions		2 716	(237)	(173)	2 306	2 306	-	100.0%	2 267	2 267		
Goods and services		3 586	-	(185)	3 401	3 401	-	100.0%	3 760	3 760		
Administrative fees		93	(8)	-	85	85	-	100.0%	101	101		
Advertising		141	(7)	(60)	74	74	-	100.0%	191	191		
Minor assets		12	(2)	-	10	10	-	100.0%	198	198		
Catering: Departmental activities		371	8	(91)	288	288	-	100.0%	408	408		
Communication (G&S)		318	49	-	367	367	-	100.0%	335	335		
Contractors		-	-	-	-	-	-	-	12	12		
Fleet services (including government motor transport)		565	167	-	732	732	-	100.0%	500	500		
Consumable supplies		25	39	-	64	64	-	100.0%	164	164		
Consumable: Stationery printing and office supplies		227	(117)	-	110	110	-	100.0%	119	119		
Operating leases		266	(60)	-	206	206	-	100.0%	227	227		
Property payments		63	3	-	66	66	-	100.0%	39	39		





Programme 3: TRANSPORT OPERATIONS

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1 PROGRAMMESUPPORT	1 842	(58)	-	1 784	1 784	-	100.0%	2 499	2 618
2 PUBLIC TRANSPORT SERVICES	184 560	217	(5)	184 772	183 448	1 324	99.3%	173 585	171 733
3 TRANSPORT SAFETY AND COMPLIANCE	792	(12)	3	783	776	7	99.1%	907	901
4 TRANSPORT SYSTEMS	4 574	67	7	4 648	3 687	961	79.3%	2 545	2 545
5 INFRASTRUCTURE OPERATIONS	16 807	(69)	3	16 741	16 741	-	100.0%	1 817	1 817
6 OPERATOR LICENCE AND PERMITS	5 903	(145)	6	5 764	5 634	130	97.7%	5 110	5 071
	<b>214 478</b>	<b>-</b>	<b>14</b>	<b>214 492</b>	<b>212 070</b>	<b>2 422</b>	<b>98.9%</b>	<b>186 463</b>	<b>184 685</b>

Economic classification																
	<b>Current payments</b>	<b>159 029</b>	<b>(908)</b>	<b>(24)</b>	<b>158 097</b>	<b>155 819</b>	<b>2 278</b>	<b>98.6%</b>	<b>132 829</b>	<b>132 904</b>						
	Compensation of employees	11 969	(218)	(24)	11 727	11 727	-	100.0%	10 503	10 779						
	Salaries and wages	10 187	(139)	(24)	10 024	10 024	-	100.0%	8 985	9 261						
	Social contributions	1 782	(79)	-	1 703	1 703	-	100.0%	1 518	1 518						
	Goods and services	147 060	(690)	-	146 370	144 092	2 278	98.4%	122 326	122 125						
	Administrative fees	82	6	-	88	88	-	100.0%	154	154						
	Advertising	200	(17)	-	183	183	-	100.0%	62	62						
	Minor assets	40	(31)	-	9	9	-	100.0%	163	163						
	Catering: Departmental activities	162	117	-	279	279	-	100.0%	318	318						
	Communication (G&S)	125	(63)	-	62	62	-	100.0%	77	77						
	Computer services	-	1	-	1	1	-	100.0%	-	-						
	Consultants: Business and advisory Services	17 601	(1 135)	-	16 466	15 505	961	94.2%	1 144	1 144						
	Legal services	-	-	-	-	-	-	-	280	280						
	Contractors	60	56	-	116	116	-	100.0%	138	138						
	Fleet services (including government motor transport)	488	145	-	633	633	-	100.0%	610	610						
	Consumable supplies	32	948	-	980	980	-	100.0%	39	39						

	Consumable: Stationery printing and office supplies	1 026	(115)	-	911	911	-	100.0%	174	174
	Operating leases	117	18	-	135	135	-	100.0%	108	108
	Transport provided: Departmental Activity	125 310	67	-	125 377	124 060	1 317	98.9%	117 153	116 952
	Travel and subsistence	1 481	(632)	-	849	849	-	100.0%	1 664	1 664
	Training and development	87	(87)	-	-	-	-	-	17	17
	Operating payments	99	83	-	182	182	-	100.0%	176	176
	Venues and facilities	150	(51)	-	99	99	-	100.0%	49	49
	<b>Transfers and subsidies</b>	<b>55 284</b>	<b>908</b>	-	<b>56 192</b>	<b>56 048</b>	<b>144</b>	<b>99.7%</b>	<b>53 532</b>	<b>51 680</b>
	Provinces and municipalities	7	-	-	7	-	7	-	6	-
	Municipalities	7	-	-	7	-	7	-	6	-
	Municipal bank accounts	7	-	-	7	-	7	-	6	-
	Public corporations and private Enterprises	52 898	908	-	53 806	53 799	7	100.0%	51 260	49 453
	Private enterprises	52 898	908	-	53 806	53 799	7	100.0%	51 260	49 453
	Subsidies on products and production (pe)	52 898	908	-	53 806	53 799	7	100.0%	51 260	49 453
	Non-profit institutions	2 379	-	-	2 379	2 249	130	94.5%	2 266	2 227

	<b>Payments for capital assets</b>	<b>165</b>		<b>38</b>	<b>203</b>	<b>203</b>		<b>100.0%</b>	<b>102</b>	<b>101</b>
	Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
	Machinery and equipment	165	38	203	203	203	100.0%	102	101	
	Other machinery and equipment	165	38	203	203	203	100.0%	102	101	
	Heritage assets	-	-	-	-	-	-	-	-	-
	Specialised military assets	-	-	-	-	-	-	-	-	-
	Biological assets	-	-	-	-	-	-	-	-	-
	Land and sub-soil assets	-	-	-	-	-	-	-	-	-
	Software and other intangible assets	-	-	-	-	-	-	-	-	-
	<b>Payment for financial assets</b>	-	-	-	-	-	-	-	-	-
		<b>214 478</b>	<b>14</b>	<b>214 492</b>	<b>212 070</b>	<b>2 422</b>	<b>98.9%</b>	<b>186 463</b>	<b>184 685</b>	

Programme 4: TRANSPORT REGULATIONS

		2017/18						2016/17		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>										
1	PROGRAMME SUPPORT	2 591	(666)	(69)	1 856	1 856	-	100,0%	2 128	2 128
2	TRAFFIC ADMINISTRATION AND LICENSING	9 770	1 447	8	11 225	11 225	-	100,0%	9 362	9 356
3	ROAD SAFETY EDUCATION	8 236	557	23	8 816	8 693	123	98,6%	3 349	3 349
4	TRAFFIC LAW ENFORCEMENT	73 383	(1 338)	(284)	71 761	71 759	2	100,0%	67 500	67 484
		<b>93 980</b>	<b>-</b>	<b>(322)</b>	<b>93 658</b>	<b>93 533</b>	<b>125</b>	<b>99,9%</b>	<b>82 339</b>	<b>82 317</b>

Economic classification																						
	<b>Current payments</b>	<b>92 623</b>	<b>(127)</b>	<b>(651)</b>	<b>91 845</b>	<b>91 722</b>	<b>123</b>	<b>99.9%</b>	<b>81 112</b>	<b>81 936</b>												
	Compensation of employees	71 433	(135)	(582)	70 716	70 716	-	100.0%	65 939	67 485												
	Salaries and wages	60 500	(315)	(582)	59 603	59 603	-	100.0%	55 967	56 956												
	Social contributions	10 933	180	-	11 113	11 113	-	100.0%	9 972	10 529												
	Goods and services	21 190	8	(69)	21 129	21 006	123	99.4%	15 173	14 451												
	Administrative fees	368	(15)	-	353	353	-	100.0%	374	374												
	Advertising	830	302	-	1 132	1 009	123	89.1%	91	91												
	Minor assets	32	12	-	44	44	-	100.0%	141	141												
	Catering: Departmental activities	382	15	-	397	397	-	100.0%	62	62												
	Communication (G&S)	1 363	104	-	1 467	1 467	-	100.0%	770	770												
	Computer services	992	26	-	1 018	1 018	-	100.0%	1 512	878												
	Consultants: Business and advisory Services	1 475	(562)	-	913	913	-	100.0%	272	272												
	Contractors	677	151	-	828	828	-	100.0%	632	632												
	Agency and support / outsourced Services	-	267	-	267	267	-	100.0%	445	445												
	Fleet services (including government motor transport)	4 335	1 117	-	5 452	5 452	-	100.0%	3 975	3 975												

	Inventory: Other supplies	29	(29)	-	-	-	-	-	-	-	-	-	-
	Consumable supplies	1 111	(149)	-	962	962	-	100.0%	507	419			
	Consumable: Stationery printing and office supplies	1 029	(233)	-	796	796	-	100.0%	983	983			
	Operating leases	340	128	-	468	468	-	100.0%	287	287			
	Property payments	1 221	(230)	-	991	991	-	100.0%	803	803			
	Transport provided: Departmental Activity	90	57	-	147	147	-	100.0%	3	3			
	Travel and subsistence	3 533	(256)	(69)	3 208	3 208	-	100.0%	2 941	2 941			
	Training and development	1 018	(313)	-	705	705	-	100.0%	15	15			
	Operating payments	2 220	(419)	-	1 801	1 801	-	100.0%	1 356	1 356			
	Venues and facilities	145	35	-	180	180	-	100.0%	4	4			
	Interest and rent on land	-	-	-	-	-	-	-	-	-			
	<b>Transfers and subsidies</b>	<b>350</b>	<b>91</b>	-	<b>441</b>	<b>439</b>	<b>2</b>	<b>99.5%</b>	<b>105</b>	<b>104</b>			
	Provinces and municipalities	11	-	-	11	9	2	81.8%	11	10			
	Municipalities	11	-	-	11	9	2	81.8%	11	10			
	Municipal bank accounts	11	-	-	11	9	2	81.8%	11	10			
	Departmental agencies and accounts	-	1	-	1	1	-	100.0%	-	-			
	Departmental agencies (non-	-	1	-	1	1	-	100.0%	-	-			



	business entities)																					
	Households	339	90	-	429	429	-	-	429	429	100.0%	94	94									
	Social benefits	339	90	-	429	429	-	-	429	429	100.0%	94	94									
	Payments for capital assets	1 007	-	329	1 336	1 336	-	-	1 336	1 336	100.0%	1 112	1 112								267	
	Machinery and equipment	1 007	-	329	1 336	1 336	-	-	1 336	1 336	100.0%	1 112	1 112									267
	Transport equipment	750	-	79	829	829	-	-	829	829	100.0%	845	845									-
	Other machinery and equipment	257	-	250	507	507	-	-	507	507	100.0%	267	267									267
	Payment for financial assets	-	36	-	36	36	-	-	36	36	100.0%	10	10									10
		93 980	-	(322)	93 658	93 658	125	-	93 533	93 533	99.9%	82 339	82 339									82 317

**NOTES TO THE APPROPRIATION STATEMENT**  
*for the year ended 31 March 2018*

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

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

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

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

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

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

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

<b>4.1 Per programme</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance R'000</b>	<b>Variance as a % of Final Appropriation</b>
Administration	85 086	80 516	4 570	95%
Transport Operations	214 492	212 070	2 422	99%

<b>4.2 Per economic classification</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Variance as a % of Final Appropriation</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	152 377	152 346	31	100%
Compensation of employees	199 577	197 176	2 401	99%
Goods and services	37	37	-	100%
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities	18	9	9	50%
Departmental agencies and accounts	4	5	-	100%
Higher education institutions				
Public corporations and private enterprises	53 806	53 799	7	100%
Foreign governments and international organisations				
Non-profit institutions	2 379	2 249	130	95%
Households	1 042	1 042	-	100%
<b>Payments for capital assets</b>				
Buildings and other fixed structures	114	-	114	0%
Machinery and equipment	8 087	3 517	4 570	43%

Heritage assets				
Specialised military assets				
Biological assets				
Land and subsoil assets				
Intangible assets	67	67	-	100%
<b>Payments for financial assets</b>	38	38	-	100%

*Savings within Compensation of Employees: EPWP Social Sector Grant*

*Goods and Services savings is due to Scholar Transport (R1 317 million) EPWP Incentive Grant (R961 000)*

*Non-Profit Institutions savings is due to the last trench for SANTACO not being paid.*

*Machinery & Equipment funding is due to delays with the transfer of MVL function to the South African Post Office*

<b>4.3Per conditional grant</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Variance as a % of Final Appropriation</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
EPWP Social Sector Grant	2 510	2 479	31	99%
Public Transport Operational	53 806	53 799	7	100%
EPWP Incentive Grant	2 000	1 039	961	52%

Projects identified for implementation using the EPWP Incentive Grant commenced late (December 2017) within the financial year.

NORTHERN CAPE: TRANSPORT SAFETY AND LIAISON				
Statement of Financial Performance				
			2017/18	2016/17
	Note		R'000	R'000
<b>REVENUE</b>			-	-
Annual appropriation	1		417 546	374 926
Statutory appropriation			-	-
Departmental revenue	2		-	16 717
NRF Receipts			-	-
Aid assistance			-	-
<b>TOTAL REVENUE</b>			<b>417 546</b>	<b>391 643</b>
<b>EXPENDITURE</b>				
<b>Current expenditure</b>				
Compensation of employees	3		152 346	146 457
Goods and services	4		197 176	167 598
Interest and rent on land	5		37	4
Aid assistance			-	-
<b>Total current expenditure</b>			<b>349 559</b>	<b>314 059</b>
<b>Transfers and subsidies</b>				
Transfers and subsidies	7		57 103	52 362
Aid assistance			-	-
<b>Total transfers and subsidies</b>			<b>57 103</b>	<b>52 362</b>
<b>Expenditure for capital assets</b>				
Tangible assets	8		3 517	1 564
Intangible assets	8		67	150
<b>Total expenditure for capital assets</b>			<b>3 584</b>	<b>1 714</b>
Unauthorised expenditure approved without funding	9		-	-
<b>Payments for financial assets</b>	6		38	18

<b>TOTAL EXPENDITURE</b>				<b>410 284</b>		<b>368 153</b>
				-		-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>				<b>7 262</b>		<b>23 490</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>						
Voted Funds				7 262		6 773
Annual appropriation				-		-
Conditional grants				-		-
				-		-
Departmental revenue and NRF Receipts		<b>14</b>		-		16 717
Aid assistance				-		-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>				<b>7 262</b>		<b>23 490</b>

NORTHERN CAPE: TRANSPORT SAFETY AND LIAISON				
Statement of Financial Position				
			2017/18	2016/17
	Note		R'000	R'000
<b>ASSETS</b>				
<b>Current Assets</b>				
			<b>16 948</b>	<b>21 679</b>
Unauthorised expenditure	9		6 453	6 453
Cash an cash equivalents	10		10 381	11 888
Other financial assets			-	-
Prepayments and advances	11		5	5
Receivables	12		109	3 333
Loans			-	-
Aid assistance prepayments			-	-
Aid assistance receivable			-	-
<b>Non-Current Assets</b>				
			<b>2 522</b>	<b>207</b>
Investments			-	-
Receivables	12		2 522	207
Loans			-	-
Other financial assets			-	-
<b>TOTAL ASSETS</b>				
			<b>19 470</b>	<b>21 886</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
			<b>19 470</b>	<b>21 886</b>
Voted funds to be surrendered to the Revenue Fund	13		7 260	6 772
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14		8 998	6 988
Bank overdraft			-	-
Payables	15		3 212	8 126
Aid assistance repayable			-	-
Aid assistance unutilized			-	-

<b>Non-Current Liabilities</b>					
Payables				-	-
<b>TOTAL LIABILITIES</b>				<b>19 470</b>	<b>21 886</b>
<b>NET ASSETS</b>					
<b>Represented by:</b>					
Capitalisation reserve				-	-
Recoverable revenue				-	-
Retained funds				-	-
Revaluation reserves				-	-
<b>TOTAL</b>				<b>-</b>	<b>-</b>



**STATEMENT OF CHANGES IN NET ASSETS**  
for the year ended 31 March 2018

	Note	2017/18		2016/17
		R'000		R'000
<b>Capitalisation Reserves</b>				
Opening balance				
Transfers:				
Movement in Equity				
Movement in Operational Funds				
Other movements				
Closing balance				
<b>Recoverable revenue</b>				
Opening balance				
Transfers:				
Irrecoverable amounts written off	<u>8.3</u>			
Debts revised				
Debts recovered (included in departmental receipts)				
Debts raised				
Closing balance				
<b>Retained funds</b>				
Opening balance				
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)				
Utilised during the year				
Other transfers				
Closing balance				
<b>Revaluation Reserve</b>				
Opening balance				
Revaluation adjustment (Housing departments)				
Transfers				
Other				
Closing balance				
<b>TOTAL</b>				

**CASH FLOW STATEMENT**  
**for the year ended 31 March 2018**

NORTHERN CAPE: TRANSPORT SAFETY AND LIAISON				
Cash Flow Statement				
			2017/18	2016/17
	<i>Note</i>		R'000	R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts			<b>637 319</b>	<b>588 222</b>
Annual appropriated funds received	<b>1.1</b>		417 546	374 926
Statutory appropriated funds received			-	-
Departmental revenue received	<b>2</b>		219 773	213 296
Interest received			-	-
NRF Receipts			-	-
Aid assistance received			-	-
Net (increase)/ decrease in working capital			(4 005)	6 275
Surrendered to Revenue Fund			(224 537)	(227 980)
Surrendered to RDP Fund/Donor			-	-
Current payments			(349 522)	(314 056)
Interest paid	<b>5</b>		(37)	(4)
Payments for financial assets			(38)	(18)
Transfers and subsidies paid			(57 103)	(52 362)
<b>Net cash flow available from operating activities</b>	<b>16</b>		<b>2 077</b>	<b>77</b>
			-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for capital assets	<b>8</b>		(3 584)	(1 714)
Proceeds from sale of capital assets			-	-
(Increase)/ decrease in loans			-	-
(Increase)/ decrease in investments			-	-
(Increase)/ decrease in other financial assets			-	-
<b>Net cash flows from investing activities</b>			<b>(3 584)</b>	<b>(1 714)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Distribution/dividend received			-	-

Increase/ (decrease) in net assets			-	-
Increase/ (decrease) in non-current payables			-	-
<b>Net cash flows from financing activities</b>			-	-
Net increase/ (decrease) in cash and cash equivalents			(1 507)	(1 637)
Cash and cash equivalents at beginning of period			11 888	13 525
Unrealised gains and losses within cash and cash equivalents			-	-
<b>Cash and cash equivalents at end of period</b>	<b>17</b>		<b>10 381</b>	<b>11 888</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2018*

**PART A: ACCOUNTING POLICIES**

<b>Summary of significant accounting policies</b>	
<p>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.</p> <p>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.</p> <p>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.</p>	
<b>1</b>	<p><b>Basis of preparation</b></p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
<b>2</b>	<p><b>Going concern</b></p> <p>The financial statements have been prepared on a going concern basis.</p>
<b>3</b>	<p><b>Presentation currency</b></p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
<b>4</b>	<p><b>Rounding</b></p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
<b>5</b>	<p><b>Foreign currency translation</b></p> <p>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.</p>
<b>6</b>	<p><b>Comparative information</b></p>
<b>6.1</b>	<p><b>Prior period comparative information</b></p> <p>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.</p>
<b>6.2</b>	<p><b>Current year comparison with budget</b></p> <p>A comparison between the approved final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
<b>7</b>	<p><b>Revenue</b></p>
<b>7.1</b>	<p><b>Appropriated funds</b></p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>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.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is</p>

	recognised as a payable / receivable in the statement of financial position.
<b>7.2</b>	<p><b>Departmental revenue</b></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>
<b>7.3</b>	<p><b>Accrued departmental revenue</b></p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>• it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>• the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
<b>8</b>	<b>Expenditure</b>
<b>8.1</b>	<b>Compensation of employees</b>
<b>8.1.1</b>	<p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
<b>8.1.2</b>	<p><b>Social contributions</b></p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
<b>8.2</b>	<p><b>Other expenditure</b></p> <p>Other expenditure (such as goods and services transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
<b>8.3</b>	<p><b>Accruals and payables not recognised</b></p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
<b>8.4</b>	<b>Leases</b>
<b>8.4.1</b>	<p><b>Operating leases</b></p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
<b>8.4.2</b>	<p><b>Finance leases</b></p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not</p>

	<p>apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> <li>• cost being the fair value of the asset; or</li> <li>• the sum of the minimum lease payments made including any payments made to acquire ownership at the end of the lease term excluding interest.</li> </ul>
<b>9</b>	<b>Aid Assistance</b>
<b>9.1</b>	<p><b>Aid assistance received</b></p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
<b>9.2</b>	<p><b>Aid assistance paid</b></p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
<b>10</b>	<p><b>Cash and cash equivalents</b></p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position 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>
<b>11</b>	<p><b>Prepayments and advances</b></p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p>The Department expenses the prepayment made for projects (<b>Public Private Projects PPP</b> undertaken by the Department).</p>
<b>12</b>	<p><b>Loans and receivables</b></p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest where interest is charged less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
<b>13</b>	<p><b>Investments</b></p> <p>Investments are recognised in the statement of financial position at cost.</p>
<b>14</b>	<b>Financial assets</b>
<b>14.1</b>	<p><b>Financial assets (not covered elsewhere)</b></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 asset.</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>
<b>14.2</b>	<p><b>Impairment of financial assets</b></p> <p>Where there is an indication of impairment of a financial asset an estimation of the reduction in the</p>

	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.
<b>15</b>	<b>Payables</b> Payables recognised in the statement of financial position are recognised at cost.
<b>16</b>	<b>Capital Assets</b>
<b>16.1</b>	<b>Immovable capital assets</b> Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
<b>16.2</b>	<b>Movable capital assets</b> 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. 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. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
<b>16.3</b>	<b>Intangible assets</b> 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. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. 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. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
<b>16.4</b>	<b>Project Costs: Work-in-progress</b> Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset the asset is transferred to the custodian subsequent to completion.



<b>17</b>	<b>Provisions and Contingents</b>
<b>17.1</b>	<p><b>Provisions</b></p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
<b>17.2</b>	<p><b>Contingent liabilities</b></p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
<b>17.3</b>	<p><b>Contingent assets</b></p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
<b>17.4</b>	<p><b>Commitments</b></p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
<b>18</b>	<p><b>Unauthorised expenditure</b></p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
<b>19</b>	<p><b>Fruitless and wasteful expenditure</b></p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>20</b>	<p><b>Irregular expenditure</b></p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority</p>

	<p>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>
<b>21</b>	<p><b>Changes in accounting policies accounting estimates and errors</b></p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
<b>22</b>	<p><b>Events after the reporting date</b></p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
<b>23</b>	<p><b>Principal-Agent arrangements</b></p> <p>The department is party to a principal-agent arrangement for the collection of Motor Vehicle Licence Tax. In terms of the arrangement the department is the principal and is responsible for Establishing Registering Authorities. 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>
<b>24</b>	<p><b>Departures from the MCS requirements</b></p> <p>Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except in the disclosure of Departmental revenue where offsetting of revenue was practiced for the financial period. Departmental revenue was debited in order to pay service providers (SAPO Municipalities DLCA Reflecto etc. these are service providers that directly contribute to the generation of revenue of the Department. The reason of the offsetting is the Treasury did not appropriate a budget for payment of commission on the collection of Revenue.</p>
<b>25</b>	<p><b>Capitalisation reserve</b></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>
<b>26</b>	<p><b>Recoverable revenue</b></p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
<b>27</b>	<p><b>Related party transactions</b></p> <p>A related party transaction is a transfer of resources services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC'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>
<b>28</b>	<p><b>Inventories</b></p> <p>At the date of acquisition inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
<b>29</b>	<p><b>Public-Private Partnerships</b></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>
<b>30</b>	<p><b>Employee benefits</b></p> <p>The value of each major class of employee benefit obligation (accruals payables not recognised and provisions) is disclosed in the Employee benefits note.</p>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018**

**1 Annual Appropriation**

**1.1 Annual Appropriation**

				2017/18			2016/17	
						Funds not		
				Final	Actual Funds	requested/	Final	Appropriation
				Appropriation	Received	not received	Appropriation	Received
Programmes				R'000	R'000	R'000	R'000	R'000
ADMINISTRATION				85 086	85 086	-	81 883	81 883
CIVILIAN OVERSIGHT				24 310	24 310	-	24 241	24 241
TRANSPORT OPERATIONS				214 492	214 492	-	186 463	186 463
TRANSPORT REGULATIONS				93 658	93 658	-	82 339	82 339
<b>Total</b>				<b>417 546</b>	<b>417 546</b>	<b>-</b>	<b>374 926</b>	<b>374 926</b>

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

*All funds were received by the Department*

**1.2 Conditional grants**

					2017/18	2016/17
				Note	R'000	R'000
Total grants received				31	58 316	55 039
Provincial grants included in Total Grants received					58 316	-

## 2 Departmental revenue

		2017/18	2016/17
	Note	R'000	R'000
Tax revenue		192 970	182 046
Sales of goods and services other than capital assets	2.1	24 933	29 272
Fines penalties and forfeits	2.2	968	1 518
Transactions in financial assets and liabilities	2.3	902	460
Total revenue collected		<b>219 773</b>	<b>213 296</b>
Less: Own revenue included in appropriation	14	219 773	196 579
<b>Departmental revenue collected</b>		<b>-</b>	<b>16 717</b>

The budget for the year was R231 471 000. There are an under collection of R11 698 000.

Reason for the under collection are as follows:

It was planned that the entire South African Post Office Branches network would be equipped

with the Natis and functional by October 1<sup>st</sup> 2018 but due to delays by RTMC the roll out didn't take place as anticipated.

The continued non-compliance by the municipalities the Department was unable to reach the target set for the current year.

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

		2017/18	2016/17
	Note	R'000	R'000
	2.1		
Sales of goods and services produced by the department		<b>24 933</b>	<b>29 272</b>
Sales by market establishment		290	255
Administrative fees		24 453	28 838
Other sales		190	179
<b>Total</b>		<b>24 933</b>	<b>29 272</b>

### 2.3 Fines penalties and forfeits

		2017/18	2016/17
	Note	R'000	R'000
	2.2		
Fines		924	1 502
Forfeits		44	16
<b>Total</b>		<b>968</b>	<b>1 518</b>

## 2.4 Transactions in financial assets and liabilities

						2017/18	2016/17
					Note	R'000	R'000
					2.3		
Receivables						49	32
Other Receipts including Recoverable Revenue						853	428
<b>Total</b>						<b>902</b>	<b>460</b>

## 3 Compensation of employees

### 3.2 Salaries and Wages

						2017/18	2016/17
					Note	R'000	R'000
					3.1		
<b>Salaries and wages</b>							
Basic salary						101 330	96 526
Performance award						2 891	3 207
Service Based						118	84
Compensative/circumstantial						5 662	5 941
Periodic payments						10 710	2 989
Other non-pensionable allowances						10 705	17 856
<b>Total</b>						<b>131 416</b>	<b>126 603</b>

### 3.3 Social contributions

		2017/18	2016/17
	Note	R'000	R'000
	3.2		
<b>Employer contributions</b>		-	-
Pension		12 579	11 942
Medical		8 319	7 882
UIF		1	1
Bargaining council		31	29
<b>Total</b>		<b>20 930</b>	<b>19 854</b>
<b>Total compensation of employees</b>		<b>152 346</b>	<b>146 457</b>
		-	-
Average number of employees		551	533
Permanent officials: 355 EPWP workers: 158 Contract workers: 66 Interns: 13.			

#### 4 Goods and services

	Note	2017/18		2016/17
	4	R'000		R'000
Administrative fees		996	-	1 146
Advertising		1 346	-	448
Minor assets	4.1	116	-	1 073
Bursaries (employees)		826	-	441
Catering		1 306	-	1 065
Communication		2 480	-	1 612
Computer services	4.2	5 772	-	4 346
Consultants: Business and advisory services		16 426	-	1 702
Legal services		59	-	733
Contractors		1 061	-	1 015
Agency and support / outsourced services		267	-	496
Audit cost – external	4.3	3 990	-	3 125
Fleet services		7 760	-	5 744
Consumables	4.4	5 205	-	3 267
Operating leases		10 598	-	9 977
Property payments	4.5	1 262	-	1 242
Transport provided as part of the departmental activities		124 360	-	117 096
Travel and subsistence	4.6	9 522	-	9 890
Venues and facilities		471	-	201
Training and development		864	-	866
Other operating expenditure	4.7	2 489	-	2 113
<b>Total</b>		<b>197 176</b>	<b>-</b>	<b>167 598</b>

#### 4.2 Minor assets

		2017/18		2016/17
	Note	R'000		R'000
<b>Minor assets</b>	4.1			
<b>Tangible assets</b>		<b>116</b>		<b>1 073</b>
Heritage assets		-		-
Machinery and equipment		116		1 073
		-		-
<b>Intangible assets</b>				
Software		-		-
<b>Total</b>		<b>116</b>		<b>1 073</b>

#### 4.3 Computer services

		2017/18		2016/17
	Note	R'000		R'000
	4.2			
SITA computer services		823		
External computer service providers		4 949		
<b>Total</b>		<b>5 772</b>		

#### 4.4 Audit cost – External

		2017/18		2016/17
	Note	R'000		R'000
	4.3			
Regularity audits		3 990	-	3 125
<b>Total</b>		<b>3 990</b>	-	<b>3 125</b>

#### 4.5 Consumables

		2017/18		2016/17
	Note	R'000		R'000
	4.4			
Consumable supplies		2 688	-	1 453
Uniform and clothing		372	-	337
Household supplies		355	-	408
Building material and supplies		1 351	-	337
IT consumables		34	-	51



Other consumables		576	-	320
Stationery printing and office supplies		2 517	-	1 814
<b>Total</b>		<b>5 205</b>	-	<b>3 267</b>

#### 4.6 Property payments

		2017/18		2016/17
	<i>Note</i>	R'000		R'000
	4.5			
Municipal services		562		472
Property maintenance and repairs		130		-
Other		570		770
<b>Total</b>		<b>1 262</b>		<b>1 242</b>

#### 4.7 Travel and subsistence

		2017/18		2016/17
	<i>Note</i>	R'000		R'000
	4.6			
Local		8 641		9 649
Foreign		881		241
<b>Total</b>		<b>9 522</b>		<b>9 890</b>

#### 4.8 Other operating expenditure

		2017/18		2016/17
	<i>Note</i>	R'000		R'000
<b>Other operating expenditure</b>	4.7			
Resettlement costs		-		72
Other		2 489		2 041
<b>Total</b>		<b>2 489</b>		<b>2 113</b>

**5 Interest and rent on land**

		2017/18		2016/17
	<i>Note</i>	R'000		R'000
	5			
Interest paid		37		4
Rent on land		-		-
<b>Total</b>		<b>37</b>		<b>4</b>

**6 Payments for financial assets**

		2017/18		2016/17
	<i>Note</i>	R'000		R'000
Debts written off	6.1	38		18
<b>Total</b>		<b>38</b>	-	<b>18</b>

**6.2 Debts written off**

		2017/18		2016/17
	<i>Note</i>	R'000		R'000
<b>Debts written off</b>	6.1			
<b>Nature of debts written off</b>				
Other debt written off		-		-
Three debts were written off		-		18
Four debts were written off		38		-
		-		-
<b>Total</b>		<b>38</b>		<b>18</b>
<b>Total debt written off</b>		<b>38</b>		<b>18</b>

## 7 Transfers and subsidies

		2017/18		2016/17
	<i>Note</i>	R'000		R'000
Departmental agencies and accounts	ANNEXURE 1B	13		12
Public corporations and private enterprises	ANNEXURE 1D	53 799		49 454
Non-profit institutions	ANNEXURE 1F	2 249		2 227
Households	ANNEXURE 1G	1 042		669
<b>Total</b>		<b>57 103</b>		<b>52 362</b>

## 8 Expenditure for capital assets

		2017/18		2016/17
	<i>Note</i>	R'000		R'000
	8			
<b>Tangible assets</b>		<b>3 517</b>		<b>1 564</b>
Machinery and equipment	27	3 517		1 564
		-		-
<b>Intangible assets</b>	28	<b>67</b>		<b>150</b>
Software		67		150
		-		-
		-		-
<b>Total</b>		<b>3 584</b>		<b>1 714</b>

The following amounts have been included as project costs in

Expenditure for capital assets:	-	-
Compensation of employees	-	-
Goods and services	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

### 8.2 Analysis of funds utilised to acquire capital assets – 2017/18

	Voted Funds	Aid assistance		TOTAL
	R'000	R'000		R'000
<b>Tangible assets</b>	<b>3 517</b>	-		<b>3 517</b>
Machinery and equipment	3 517	-		3 517
	-	-		-
<b>Intangible assets</b>	<b>67</b>	-		<b>67</b>
Software	67	-		67
	-	-	-	-
	-	-	-	-
<b>Total</b>	<b>3 584</b>	-	-	<b>3 584</b>

### 8.3 Analysis of funds utilised to acquire capital assets – 2016/17

	Voted Funds	Aid assistance		TOTAL
	R'000	R'000		R'000
<b>Tangible assets</b>	<b>1 564</b>	-		<b>1 564</b>
Machinery and equipment	1 564	-		1 564
	-	-		-
	-	-		-
<b>Intangible assets</b>	<b>150</b>	-		<b>150</b>
Software	150	-		150
	-	-		-
	-	-		-
<b>Total</b>	<b>1 714</b>	-		<b>1 714</b>

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

		2017/18		2016/17
		R'000		R'000
<b>Tangible assets</b>		-		-
Machinery and equipment		2 477		1 282
<b>Total</b>		<b>2 477</b>		<b>1 282</b>

## 9 Unauthorised expenditure

### 9.2 Reconciliation of unauthorised expenditure

		2017/18		2016/17
	<i>Note</i>	R'000		R'000
	9			
Opening balance		6 453		6 453
Prior period error		-		-
As restated		6 453		6 453
Unauthorised expenditure - discovered in the current year (as restated)	-		-	
Less: Amounts approved by Parliament/Legislature with funding			-	
Less: Amounts approved by Parliament/Legislature without funding and written off in the Statement of Financial Performance			-	-
Current		-		-
Capital		-		-
Transfers and subsidies		-		-
		-		-
		-		-
Less: Amounts transferred to receivables for recovery			-	-
Closing balance		6 453		6 453
		-	-	-
<b>Analysis of closing balance</b>		<b>R'000</b>		<b>R'000</b>
<b>Unauthorised expenditure awaiting authorisation</b>	-		-	
Unauthorised expenditure approved without funding and not derecognised			-	-
Total			-	

*Note that Provincial Treasury are reducing our base line yearly until amounts has been recovered. The remaining unauthorised expenditure (R4.616 million) after the Treasury reduction of R1.837 million is attributable to R1 693 million up to the 2012/13 financial year as well as R2.923 million for the 2015/16 financial year.*

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

		2017/18		2016/17
		R'000		R'000
Current		6 453		6 453
Capital		-		-
Transfers and subsidies		-		-
<b>Total</b>		<b>6 453</b>		<b>6 453</b>

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

		2017/18		2016/17
		R'000		R'000
Unauthorised expenditure relating to overspending of the vote or a main division within the vote		6 453		6 453
Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division		-		-
<b>Total</b>		<b>6 453</b>		<b>6 453</b>

### 9.5 Unauthorised expenditure split into current and non-current asset

Details	2017/18			2016/17		
	Current	Non-current	Total	Current	Non-current	Total
	R'000	R'000	R'000	R'000	R'000	R'000
2011/12: Avis car rental	-	1 598	1 598	-	-	-
2012/13: MEC Discretionary fund	-	95	95	-	-	-
2014/15: Bevlink/EPWP Programme	-	1 837	1 837	-	-	-
2015/16: Compensation exceeded	-	2 923	2 923	-	-	-
	-	-	-	-	-	-
	-	<b>6 453</b>	<b>6 453</b>	-	-	-

## 10 Cash and cash equivalents

		2017/18		2016/17
	Note	R'000		R'000
	10			
Consolidated Paymaster General Account		10 381		11 888
<b>Total</b>		<b>10 381</b>	-	<b>11 888</b>

Indicate the amount of significant cash and cash equivalent balances held by the department that are not available for use.

## 11 Prepayments and advances

		2017/18		2016/17
	Note	R'000		R'000
Prepayments (Not expensed)	11.1	5	-	5
<b>Total</b>		<b>5</b>	-	<b>5</b>

### 11.2 Prepayments (Not expensed)

	Note	Balance as at 1 April 2017	Less: Amount expensed in current year	Add: Current Year prepayments		Balance as at 31 March 2018
		R'000	R'000	R'000		R'000
<i>Listed by economic classification</i>						
Other		5	-	-		5
<b>Total</b>		<b>5</b>	<b>-</b>	<b>-</b>		<b>5</b>

### 11.3 Repayments (Expensed)

	Note	'Balance as at 1 April 2017	Less: Received in the current year	Add: Current Year prepayments	Amount as at 31 March 2018
Prepayments (Expensed)	12	R'000	R'000	R'000	R'000
<i>Listed by economic classification</i>					
Goods and services		-	-	-	-
Interest and rent on land		-	-	-	-
Transfers and subsidies		-	-	-	-
Capital assets		-	-	-	-
Other		-	-	14 600	14 600
<b>Total</b>		-	-	<b>14 600</b>	<b>14 600</b>

<i>Nelutha Consulting: Two amounts was paid to Nelutha: R2 850 000 and R11 750 000 = R14 600 000:</i>
<i>Status of R2 850 000: Complete</i>
<i>Status of R11 750 000: Two phases was done: R2 045 821.00</i>
<i>Bathymetric and seismic survey complete 65% (R1 690 000) therefore R910 000 will stay as prepayment</i>
<i>Landside borehole and quarry investigation completed 50% (R2 150 000) therefore R2 150 000 will stay as prepayment</i>
<i>Topographical survey completed 30% (R373 500.00) therefore R871 500 will stay as prepayment</i>
<i>Material source investigation 50% (R63 642) therefore R63 642 will stay as prepayment</i>
<i>Infrastructure status quo investigation 40% (R520 000) therefore R780 000 will stay as prepayment</i>
<i>Review site information and compile design basis 70% (R92 326.50) therefore R39 568.50 will stay as prepayment</i>



## 12 Receivables

		2017/18				2016/17		
		Current	Non-current	Total		Current	Non-current	Total
	Note	R'000	R'000	R'000		R'000	R'000	R'000
<b>Receivables</b>								
Claims recoverable	12.1							
		-	2 268	2 268	-	2 420	-	2 420
Recoverable expenditure	12.2	-	-	-	-	723	-	723
Staff debt	12.3	93	254	347	-	190	207	397
Other debtors	12.4	16	-	16	-	-	-	-
		<b>109</b>	<b>2 522</b>	<b>2 631</b>	-	<b>3 333</b>	<b>207</b>	<b>3 540</b>

### 12.2 Claims recoverable

		2017/18		2016/17
	Note	R'000		R'000
	12			
Provincial departments		2 268	-	2 420
<b>Total</b>		<b>2 268</b>	-	<b>2 420</b>

*Department of Public Works – Provincial: Owes for EPWP funds not received*

### 12.3 Recoverable expenditure (disallowance accounts)

		2017/18		2016/17
	Note	R'000		R'000
(Group major categories but list material items)	12			
RTMC Payments				
		-		723
		-		<b>723</b>

#### 12.4 Staff debt

		2017/18		2016/17
	<i>Note</i>	R'000		R'000
	12			
(Group major categories but list material items)				
		-		-
		-		-
Staff debt		347		397
		-		-
		-		-
		<b>347</b>		<b>397</b>

#### 12.5 Other debtors

		2017/18		2016/17
	<i>Note</i>	R'000		R'000
	12			
(Group major categories but list material items)				
Salary Tax Debt		16		-
		-		-
		<b>16</b>		<b>-</b>

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

Opening balance		6 772		5 185
Prior period error		-		-
As restated		6 772		5 185
Transfer from statement of financial performance (as restated)		7 262		6 772
Add: Unauthorised expenditure for current year		-		-
Voted funds not requested/not received	1.1	-		-
Paid during the year		(6 774)		(5 185)
<b>Closing balance</b>		<b>7 260</b>		<b>6 772</b>

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

		<b>2017/18</b>		<b>2016/17</b>
	<i>Note</i>	<b>R'000</b>		<b>R'000</b>
<b>Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund</b>				
Opening balance		6 988		16 487
Prior period error		-		-
As restated	14.1	6 988		16 487
Transfer from Statement of Financial Performance (as restated)		-		16 717
Own revenue included in appropriation		219 773		196 579
Transfer from aid assistance		-		-
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)	14.1	-		-
Paid during the year		(217 763)		(222 795)
<b>Closing balance</b>		<b>8 998</b>		<b>6 988</b>

**15 Payables – current**

		<b>2017/18</b>		<b>2016/17</b>
	<i>Note</i>	<b>R'000</b>		<b>R'000</b>
Amounts owing to other entities		3 193		8 061
Clearing accounts	15.1	19		65
<b>Total</b>		<b>3 212</b>		<b>8 126</b>
	<i>Note</i>	<b>2017/18</b>		<b>2016/17</b>
		<b>R'000</b>		<b>R'000</b>
<b>Clearing accounts</b>	15			
(Identify major categories but list material amounts)				
		-		-
Debt receivable income		19		65
		-		-
		-		-
<b>Total</b>		<b>19</b>		<b>65</b>

**16 Net cash flow available from operating activities**

		2017/18		2016/17
	<i>Note</i>	R'000		R'000
	<b>16</b>			
Net surplus/(deficit) as per Statement of Financial Performance		7 262		23 490
Add back non cash/cash movements not deemed operating activities		(5 185)		(23 412)
(Increase)/decrease in receivables		909		(732)
(Increase)/decrease in prepayments and advances		-		15
(Increase)/decrease in other current assets		-		-
Increase/(decrease) in payables – current		(4 914)		6 992
Proceeds from sale of capital assets		-		-
Proceeds from sale of investments		-		-
(Increase)/decrease in other financial assets		-		-
Expenditure on capital assets		3 584		1 714
Surrenders to Revenue Fund		(224 537)		(227 981)
Surrenders to RDP Fund/Donor		-		-
Voted funds not requested/not received		-		-
Own revenue included in appropriation		219 773		196 579
Other non-cash items		-		-
<b>Net cash flow generated by operating activities</b>		<b>2 077</b>		<b>77</b>

**17 Reconciliation of cash and cash equivalents for cash flow purposes**

		2017/18		2016/17
	<i>Note</i>	R'000		R'000
	<b>17</b>			
Consolidated Paymaster General account		10 381		11 888
<b>Total</b>		<b>10 381</b>		<b>11 888</b>

## 18 Contingent liabilities and contingent assets

### 18.2 Contingent liabilities

			2017/18		2016/17
		<i>Note</i>	R'000		R'000
		<b>18</b>	-		-
<b>Liable to</b>	<b>Nature</b>				
Claims against the department		Annex 3B	12 305		11 655
Intergovernmental payables (unconfirmed balances)		Annex 5	-		727
Other		Annex 3B	-		-
<b>Total</b>			<b>12 305</b>		<b>12 382</b>

### 18.3 Contingent assets

<b>Contingent assets</b>			2017/18		2016/17
<b>Nature of contingent asset</b>	<i>Note</i>		R'000		R'000
	<b>18.2</b>		-		-
			7 608		-
Opening Balance 2016/17			-		6 762
Additions within 2016/17 (RTMC Assets)			-		582
Additions within 2016/17 (Fleet Insurance)			(264)		264
<b>Total</b>			<b>7 344</b>		<b>7 608</b>

## 19 Commitments

		2017/18	2016/17
	<i>Note</i>	R'000	R'000
	19		
<b>Current expenditure</b>			
Approved and contracted		7 157	310 986
Approved but not yet contracted		-	-
		<b>7 157</b>	<b>310 986</b>
<b>Capital Expenditure</b>		-	-
Approved and contracted		-	35
Approved but not yet contracted		-	-
		-	<b>35</b>
<b>Total Commitments</b>		<b>7 157</b>	<b>311 021</b>

The significant decrease in the Department's Commitments is due to the shifting of the Learner Transport Function to the Department of Education.

This includes the SITA contract extended for six months.

## 20 Accruals and payables not recognised

### 20.1. Accruals

			2017/18	2016/17
			R'000	R'000
<b>Listed by economic classification</b>	<b>30 days</b>	<b>30+ days</b>	<b>Total</b>	<b>Total</b>
Goods and services	11 506	551	12 057	2 318
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Capital assets	377	-	377	41
Other	845	-	845	642
<b>Total</b>	<b>12 728</b>	<b>551</b>	<b>13 279</b>	<b>3 001</b>
			2017/18	2016/17
	<b>Listed by Programme level</b>	<i>Note</i>	R'000	R'000
	Administration	20.1	1 852	1 016
	Civilian Oversight		185	20
	Transport Operations		10 359	1 763
	Transport Regulations		883	202
	<b>Total</b>		<b>13 279</b>	<b>3 001</b>

## 20.2. Payables not recognised

			2017/18		2016/17
			R'000		R'000
Listed by economic classification	30 days	30+ days	Total		Total
Goods and services	2 776	415	3 191		15 600
Transfers and subsidies	-	-	-		1 858
Capital assets	104	4	108		49
Other	3 848	-	3 848		-
<b>Total</b>	<b>6 728</b>	<b>419</b>	<b>7 147</b>		<b>17 507</b>
			2017/18		2016/17
	Listed by Programme level	Note	R'000		R'000
	Administration	20.2	5 853		3 049
	Civilian Oversight		46		45
	Transport Operations		375		12 308
	Transport Regulations		873		2 105
			-		-
	<b>Total</b>		<b>7 147</b>		<b>17 507</b>

		2017/18		2016/17
<i>Included in the above totals are the following:</i>	Note	R'000		R'000
Confirmed balances with departments	Annex 5	343		6 321
Confirmed balances with other government entities	Annex 5	3 193		2 061
<b>Total</b>		<b>3 536</b>		<b>8 382</b>

## 21. Employee benefits

		2017/18		2016/17
	<i>Note</i>	R'000		R'000
Leave entitlement		6 432		519
Service bonus (Thirteenth cheque)		4 082		199
Performance awards		2 891		435
Capped leave commitments		5 397		603
Other		-		-
		<b>18 802</b>		<b>17 756</b>
<i>The Total Leave entitlement does not off-set the negative amounts.</i>				

## 22. Lease commitments

### 22.1. Operating leases

2017/18	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	8 523	286	8 809
Later than 1 year and not later than 5 years	-	-	52 941	428	53 369
Later than five years	-	-	5 310	-	5 310
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>66 774</b>	<b>714</b>	<b>67 488</b>
2016/17	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	7 972	332	8 304
Later than 1 year and not later than 5 years	-	-	49 135	16	49 151
Later than five years	-	-	17 581	-	17 581
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>74 688</b>	<b>348</b>	<b>75 036</b>



## 22.2. Finance leases \*\*

<b>2017/18</b>	<b>Specialised military assets</b>	<b>Land</b>	<b>Buildings and other fixed structures</b>	<b>Machinery and equipment</b>		<b>Total</b>
-	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>		<b>R'000</b>
Not later than 1 year	-	-	-	2 012		2 012
Later than 1 year and not later than 5 years	-	-	-	3 378		3 378
Later than five years	-	-	-	-		-
<b>Total lease commitments</b>	-	-	-	<b>5 390</b>		<b>5 390</b>
<b>2016/17</b>	<b>Specialised military assets</b>	<b>Land</b>	<b>Buildings and other fixed structures</b>	<b>Machinery and equipment</b>		<b>Total</b>
-	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>		<b>R'000</b>
Not later than 1 year	-	-	-	1 642		1 642
Later than 1 year and not later than 5 years	-	-	-	1 987		1 987
Later than five years	-	-	-	-		-
<b>Total lease commitments</b>	-	-	-	<b>3 629</b>		<b>3 629</b>

Note that this Department received a letter from Provincial Treasury dated 6 July 2018, requesting for the inclusion of interest in Finance Lease disclosure.

### 23. Accrued departmental revenue

		2017/18	2016/17
	<i>Note</i>	R'000	R'000
	23		
Tax revenue		141 257	108 599
Sales of goods and services other than capital assets		-	-
Fines penalties and forfeits		75	105
Interest dividends and rent on land		-	-
Sale of capital assets		-	-
Transactions in financial assets and liabilities		-	-
Transfers received		-	-
Other		-	-
<b>Total</b>		<b>141 332</b>	<b>108 704</b>

#### 23.1. Analysis of accrued departmental revenue

		2017/18	2016/17
	<i>Note</i>	R'000	R'000
<b>Analysis of accrued departmental revenue</b>			
Opening balance		108 704	82 787
Less: Amounts received		32 261	11 387
Add: Amounts recognised		64 889	37 399
Less: Amounts written-off/reversed as irrecoverable		-	95
<b>Closing balance</b>		<b>141 332</b>	<b>108 704</b>

#### 23.2. Accrued department revenue written off

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
<b>Nature of losses</b>			
Amounts misstated			95
<b>Total</b>			<b>95</b>

## 24. Irregular expenditure

### 24.1. Reconciliation of irregular expenditure

		2017/18	2016/17
	Note	R'000	R'000
<b>Reconciliation of irregular expenditure</b>			
Opening balance		703 237	545 861
Prior period error		-	-
As restated		703 237	545 861
Add: Irregular expenditure - relating to prior year		-	-
Add: Irregular expenditure - relating to current year		187 997	157 376
Less: Prior year amounts condoned		-	-
Less: Current year amounts condoned		-	-
Less: Amounts not condoned and recoverable		-	-
Less: Amounts not condoned and not recoverable		-	-
<b>Irregular expenditure awaiting condonation</b>		<b>891 234</b>	<b>703 237</b>
<b>Analysis of awaiting condonation per age classification</b>			
Current year		187 997	157 376
Prior years		703 237	545 861
<b>Total</b>		<b>891 234</b>	<b>703 237</b>

### 24.2. Details of irregular expenditure – added current year (relating to current and prior years)

		2017/18
		R'000
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	
Kgomongwe Security Service		456
Mega Bus		26 514
Phumatra Transport		10 547
TESS		831
G-Soc		3 839
KOL Logistics		380
Taudigo Security		242
Sophia Excellence Driving Academy		200
Scholar Transport		123 993
Diamond Hill Trading		498
Tshela Bophelo Wellness Solutions		450
Magna FS		907
Tracker		109
Nelutha Consulting		14 658
AON SA		1 066
PMC Training		728
Other		486

Gaopalelwe Logistics			14
Kim Travel			1 750
Arries International, Ivan M Trading, Gobo Motho Catering, Pakagolo Foundation			329
<b>Total</b>			<b>187 997</b>

## 25. Fruitless and wasteful expenditure

### 25.1. Reconciliation of fruitless and wasteful expenditure

		2017/18		2016/17
		R'000		R'000
<b>Reconciliation of fruitless and wasteful expenditure</b>				
Opening balance		424		865
Prior period error		-		-
As restated		424		865
Fruitless and wasteful expenditure – relating to prior year		-		-
Fruitless and wasteful expenditure – relating to current year		37		4
Less: Amounts resolved		-		(445)
<b>Closing balance</b>		<b>461</b>		<b>424</b>
		-		-
<b>Analysis of awaiting resolution per economic classification</b>				
Current		461		424
Capital		-		-
Transfers and subsidies		-		-
<b>Total</b>		<b>461</b>		<b>424</b>

### 25.2. Analysis of Current year's (relating to current and prior years) fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings		R'000
Interest on onerdue account	Under investigation		37
			-
			-
<b>Total</b>			<b>37</b>

## 26. Key management personnel

		2017/18		2016/17
	<i>No. of</i>	R'000		R'000
<b>Key management personnel</b>	<b>Individuals</b>			
Political office bearers (provide detail below)	-			
Officials:	3	2 025		1 852
Level 15 to 16	1	1 505		102
Level 14 (incl CFO if at a lower level) (with acting Director level 12)	8	9 466		10 589
Family members of key management personnel	1	294		277
<b>Total</b>	-	<b>13 290</b>		<b>12 820</b>

## 27. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018					
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>40 995</b>	-	<b>1 040</b>	<b>83</b>	<b>41 952</b>
Transport assets	27 076	-	837	-	27 913
Computer equipment	2 727	-	165	16	2 876
Furniture and office equipment	1 690	-	23	-	1 713
Other machinery and equipment	9 502	-	15	67	9 450
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>40 995</b>	-	<b>1 040</b>	<b>83</b>	<b>41 952</b>

### 27.1. Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018					
	Cash	Non-cash	(Capital work-in-progress current costs and finance lease payments)	Received current not paid (Paid current year received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	3 517	-	(2 477)	-	1 040
Transport assets	2 327	-	(1 490)	-	837
Computer equipment	165	-	-	-	165
Furniture and office equipment	23	-	-	-	23
Other machinery and equipment	1 002	-	(987)	-	15
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>3 517</b>	<b>-</b>	<b>(2 477)</b>	<b>-</b>	<b>1 040</b>

### 27.2. Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018					
	Sold for cash	Non-cash disposal	Total disposals		Cash received Actual
	R'000	R'000	R'000		R'000
<b>MACHINERY AND EQUIPMENT</b>	-	83	83		-
Computer equipment	-	16	16		-
Other machinery and equipment	-	67	67		-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>83</b>	<b>83</b>		<b>-</b>

### 27.3. Movement for 2016/17

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017						
	Opening balance	Prior period error	Additions	Disposals		Closing balance
	R'000	R'000	R'000	R'000		R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>30 854</b>	-	<b>10 428</b>	<b>287</b>		<b>40 995</b>
Transport assets	18 791	-	8 539	254		27 076
Computer equipment	2 567	-	193	33		2 727
Furniture and office equipment	1 612	-	78	-		1 690
Other machinery and equipment	7 884	-	1 618	-		9 502
<b>Capital Work-in-progress (Effective 1 April 2016)</b>	<b>2 398</b>	-	-	-		<b>2 398</b>
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>30 854</b>	-	<b>10 428</b>	<b>287</b>		<b>40 995</b>

### 27.4. Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	837	-	5 378	-	6 215
Additions	-	39	-	77	-	116
Disposals	-	5	-	7	-	12
<b>TOTAL MINOR ASSETS</b>	-	<b>871</b>		<b>5 448</b>	-	<b>6 319</b>
-	<b>Specialised military assets</b>	<b>Intangible assets</b>	<b>Heritage assets</b>	<b>Machinery and equipment</b>	<b>Biological assets</b>	<b>Total</b>
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	272	-	4 045	-	4 317
<b>TOTAL NUMBER OF MINOR ASSETS</b>	-	<b>272</b>	-	<b>4 045</b>	-	<b>4 317</b>

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	801	-	4 319	-	5 120
Prior period error	-	-	-	-	-	-
Additions	-	47	-	1 063	-	1 110
Disposals	-	11	-	4	-	15
<b>TOTAL MINOR ASSETS</b>	-	<b>837</b>	-	<b>5 378</b>	-	<b>6 215</b>

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	801	-	4 319	-	5 120
Prior period error	-	-	-	-	-	-
Additions	-	47	-	1 063	-	1 110
Disposals	-	11	-	4	-	15
<b>TOTAL MINOR ASSETS</b>	-	<b>837</b>	-	<b>5 378</b>	-	<b>6 215</b>
-	-	-	-	-	-	-

#### 27.5. S42 Movable capital assets

MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2018						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets						
Value of the assets (R'000)				(67)		(67)



MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2017						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
No. of Assets				6		6
Value of the assets (R'000)				8 539		8 539

## 28. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018						
	Opening balance	Value adjustments	Additions	Disposals		Closing balance
	R'000	R'000	R'000	R'000		R'000
	-	-	-	-		-
SOFTWARE	671	-	67	12		726
	-	-	-	-		-
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>671</b>	<b>-</b>	<b>67</b>	<b>12</b>	<b>-</b>	<b>726</b>

### 28.1. Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018					
	Cash	Non-cash	(Development work-in-progress current costs )	Received current not paid (Paid current year received prior year	Total
	R'000	R'000	R'000	R'000	R'000
	-	-	-	-	-
SOFTWARE	67	-	-	-	67
	-	-	-	-	-
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67</b>

## 28.2. Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018					
	Sold for cash	Non-cash disposal	Total disposals		Cash received Actual
	R'000	R'000	R'000	-	R'000
SOFTWARE	12	-	12	-	-
-	-	-	-	-	-
<b>TOTAL DISPOSAL OF INTANGIBLE CAPITAL ASSETS</b>	<b>12</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>-</b>

## 28.3. Movement for 2016/17

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017					
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	355	-	321	5	671
-	-	-	-	-	-
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>355</b>	<b>-</b>	<b>321</b>	<b>5</b>	<b>671</b>

## 29. Principal-agent arrangements

### 29.1. Department acting as the principal

	2017/18	2016/17
	Fee paid	0
	R'000	R'000
//Khara Hais	-	3 948
Gamagara	1 004	2 144
Ga-segonyane	2 368	2 118
Kai !Garib	565	1 333
Nama Khoi	1 279	1 297
Remaining Municipalities	7 900	8 156
SAPO	5 897	-
Sol Plaatje	6 445	6 011
Phokwane	1 911	1 841
Dawid Kruiper	1 325	-
<b>Total</b>	<b>28 694</b>	<b>26 848</b>

*The department is party to a principal-agent arrangement for collecting Motor Vehicle License tax on every motor vehicle that uses public road.*

*In terms of the arrangement the department is the principal and the Local Municipalities are agents the Municipalities collect the money from the public and retain 12% commission as stipulated in the service level agreement. 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 appropriated. Two municipalities paid gross inclusive of agency fee.*

*Note: Khara Hais Local Municipality changed to Dawid Kruiper Local Municipality*

## 30. Inventories

	2017/18	2016/17
Note	R'000	R'000
<a href="#">Annexure 6</a>		
Opening balance	287	287
Add/(Less): Adjustments to prior year balances	-	-
Add: Additions/Purchases - Cash	103	-
(Less): Disposals	-	-
(Less): Issues	(28)	-
Add/(Less): Adjustments	-	-
<b>Closing balance</b>	<b>362</b>	<b>287</b>
<i>Bullets: R26 233.14</i>		
<i>Books: R226 179.74</i>		

31. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2016/17	
	Division of Revenue Act/Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (overspending)	% of available funds spent by dept	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
EPWP Social Sector Grant	2 510	-	-	-	2 510	2 510	2 479	31	99%	-	-
Public Transport Operational	53 806	-	-	-	53 806	53 806	53 799	7	100%	-	-
EPWP Incentive Grant	2 000	-	-	-	2 000	2 000	1 039	961	52%	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	58 316	-	-	-	58 316	58 316	57 317	999	-	-	-

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**ANNEXURE 1B**  
**STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION					TRANSFER		2016/17 Final Appropriation R'000
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred		
	4		4	4	4	100%		
Vehicle licences (municipality)	9			9	9	100%	17	
<b>TOTAL</b>	13			13	13		19	

**ANNEXURE 1D**  
**STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE		2016/17 Final Appropriation R'000
	Adjusted Appropriation on Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	
						Capital R'000	
						Current R'000	

<b>Public Corporations</b>													
Transfers													
<b>Subsidies</b>	<b>53 806</b>	<b>53 806</b>	<b>53 799</b>	<b>53 799</b>	<b>100%</b>	<b>53 799</b>	<b>53 799</b>	<b>53 799</b>	<b>53 799</b>	<b>100%</b>	<b>53 799</b>	<b>53 799</b>	<b>49 453</b>
Bus Subsidies:													
Mega Bus	26 521	26 521	26 514	26 514	100%	26 514	26 514	26 514	26 514	100%	26 514	21 768	
Phumatra	10 547	10 547	10 547	10 547	100%	10 547	10 547	10 547	10 547	100%	10 547	10 181	
Van Wyks Luxury Coaches	6 157	6 157	6 157	6 157	100%	6 157	6 157	6 157	6 157	100%	6 157	3 987	
Rainbow	3 726	3 726	3 726	3 726	100%	3 726	3 726	3 726	3 726	100%	3 726	3 182	
Mtwana TS	-	-	-	-	-	-	-	-	-	-	-	532	
Santaco Northern Cape	3 747	3 747	3 747	3 747	100%	3 747	3 747	3 747	3 747	100%	3 747	4 061	
VHS Holdings	-	-	-	-	-	-	-	-	-	-	-	2 695	
Imvusa Trading	3 108	3 108	3 108	3 108	100%	3 108	3 108	3 108	3 108	100%	3 108	3 047	
<b>Total</b>	<b>53 806</b>	<b>53 806</b>	<b>53 799</b>	<b>53 799</b>	<b>100%</b>	<b>53 799</b>	<b>53 799</b>	<b>53 799</b>	<b>53 799</b>	<b>100%</b>	<b>53 799</b>	<b>49 453</b>	

**ANNEXURE 1F  
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

	TRANSFER ALLOCATION				EXPENDITURE		2016/17 Final Appropriation
	Adjusted Appropriation Act	Roll overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds transferred	
<b>NON-PROFIT INSTITUTIONS</b>							
<b>Transfers</b>							
Northern Cape Taxi Council	2 379	-	-	2 379	2 249	95%	2 266
<b>Subsidies</b>							2 266
<b>TOTAL</b>	<b>2 379</b>	<b>-</b>	<b>-</b>	<b>2 379</b>	<b>2 249</b>		<b>2 266</b>

**ANNEXURE 1G  
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

	TRANSFER ALLOCATION				EXPENDITURE		2016/17 Final Appropriation R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjust- ments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
<b>HOUSEHOLDS</b>							
<b>Transfers</b>							
Leave Gratuity	477			477	477	100%	500
MEC Discretionary Fund	200			200	189	95%	169
Claims against the state	376			376	376	100%	
	<b>1 053</b>			<b>1 053</b>	<b>1 042</b>		<b>669</b>
<b>Subsidies</b>							
<b>TOTAL</b>	<b>1 053</b>	<b>-</b>	<b>-</b>	<b>1 053</b>	<b>1 042</b>		<b>669</b>

**ANNEXURE 1H  
STATEMENT OF GIFTS DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT DONATION OR SPONSORSHIP	2017/18		2016/17	
			R'000		R'000
Received in cash					
<b>Subtotal</b>					
Received in kind					
MEC Bartlett	Snack Basket	1			
MEC Van Staden	Gift Voucher	1			
MEC Mbingo Gigaba	Scarf & Chocolates	1			
Nelutha Consulting Engineers	Groceries & Snacks	30			
G-Soc	Groceries: Cold Drinks & Meat	30			
Moleleki Transport	Meat	3			
MEC Bartlett	Gift Voucher	1			
MEC Shushu	Gift Voucher	1			
Kator Travel Consultants	Cold Drinks	2			
Khuthe The Distributors	Hiring of Fridge Bowls Cutlery and Plates	1			
Arries International	vegetables	4			
<b>Subtotal</b>		75			
		-			
<b>TOTAL</b>		75			



**ANNEXURE 3B**

**NATURE OF LIABILITY**

	Opening balance 1 April 2017	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2018
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>	<b>0</b>				
Alleged non-compliance with contract	460	422	109	-	773
Breach of Contract	200	273	200	-	273
Arbitration award	10 969	156	-	-	11 125
Claim for damages	26	-	-	-	26
<b>Subtotal</b>	<b>11 655</b>	<b>851</b>	<b>309</b>	<b>-</b>	<b>12 197</b>
<b>Environmental liability</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Pemberley Investment	-	108	-	-	108
<b>Subtotal</b>					
<b>TOTAL</b>	<b>11 655</b>	<b>959</b>	<b>309</b>	<b>-</b>	<b>12 305</b>

**ANNEXURE 4.  
CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2016/18 *	
	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2018 R'000	31/03/2018 R'000	31/03/2017 R'000	Receipt date up to six (6) working days after year end	Amount R'000
<b>Department</b>								
Roads and Public Works			2 268	2 268	2 268	2 268		
Education				75		75		
Treasury				797		797		
NC Legislature				2		2		
			<b>2 268</b>	<b>3 142</b>	<b>2 268</b>	<b>3 142</b>		
<b>Other Government Entities</b>								
<b>TOTAL</b>			<b>2 268</b>	<b>3 142</b>	<b>2 268</b>	<b>3 142</b>		

**ANNEXURE 5  
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2016/17 *	
	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	Payment date up to six (6) working days before year end	Amount R'000
<b>DEPARTMENTS</b>								
<b>Current</b>								
Premiers Office		321				321		
Provincial Treasury	10	6 000			10	6 000		
Government Printing				727		727		
Department of Mineral Resources	12				12			
<b>Subtotal</b>	22	6 321		727	22	7 048		
<b>Non-current</b>								
Premiers Office	321				321			
<b>Subtotal</b>	321							
<b>TOTAL</b>	343	6 321		727	343	7 048		

OTHER GOVERNMENT ENTITY														
<b>Current</b>														
RTMC	1 609	672								1 609	672			
Infringement	-	7								-	7			
DL Certificate	27	32								27	32			
Agency Fee	3	687								3	687			
SAPO	636	-								636	-			
Sol Plaatje	461	-								461	-			
<b>Private Entities</b>														
Abnormal Loads	456	659								456	659			
Refunds	1	4								1	4			
<b>Subtotal</b>	<b>3 193</b>	<b>2 061</b>								<b>3 536</b>	<b>2 061</b>			
<b>Non-current</b>														
<b>Subtotal</b>														
<b>TOTAL</b>	<b>3 536</b>	<b>8 382</b>								<b>3 215</b>	<b>9 109</b>			
										<b>727</b>				

**ANNEXURE 6  
INVENTORIES**

Inventories [Per major category]	Note	Quantity	2017/18	Quantity	2016/17
			R'000		R'000
Opening balance		6 862	287		
Add/(Less): Adjustments to prior year balance					
Add: Additions/Purchases - Cash		191	103		
Add: Additions - Non-cash					
(Less): Disposals					
(Less): Issues		(1 427)	(28)		
Add/(Less): Adjustments				6 862	287
<b>Closing balance</b>		<b>5 626</b>	<b>362</b>	<b>6 862</b>	<b>287</b>

**ANNEXURE 7**  
**MOVEMENT IN CAPITAL WORK IN PROGRESS**

<b>MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2018</b>				
	<b>Opening balance</b>	<b>Current Year Capital WIP</b>	<b>Ready for use (Asset register) / Contract terminated</b>	<b>Closing balance</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>HERITAGE ASSETS</b>				
Heritage assets				
<b>MACHINERY AND EQUIPMENT</b>				
Transport assets				
Computer equipment				
Furniture and office equipment				
Other machinery and equipment				
<b>SOFTWARE</b>				
Software				
<b>TOTAL</b>				

<b>MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2017</b>					
	<b>Opening balance</b>	<b>Prior period error</b>	<b>Current Year Capital WIP</b>	<b>Ready for use (Asset register) / Contract terminated</b>	<b>Closing balance</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>HERITAGE ASSETS</b>					
Heritage assets					
<b>MACHINERY AND EQUIPMENT</b>	2 398			(2 398)	0
Transport assets					
Computer equipment					
Furniture and office equipment					
Other machinery and equipment	2 398			(2 398)	0
<b>TOTAL</b>	2 398			(2 398)	0



PR179/2016  
PO Box 1368  
Kimberley 8300  
Tel: 053 839 1700  
Fax: 053 839 1773  
e-mail: [reneewilliams@ncpg.gov.za](mailto:reneewilliams@ncpg.gov.za)