

ANNUAL REPORT

2015/2016

LOERIESFONTEIN
NIEUWOUDTVILLE
ROAD

NEW
DE AAR
HOSPITAL

PAVING AND
BRICK MAKING
MOTHIBISTAD



the dr&pw

Department
Roads and Public Works
NORTHERN CAPE PROVINCE
REPUBLIC OF SOUTH AFRICA

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PART A

GENERAL INFORMATION

GENERAL INFORMATION

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1. GLOSSARY

APP	Annual Performance Plan	EPWP	Expanded Public Works Programme
AIDS	Acquired Immune Deficiency Syndrome (AIDS)	FTE	Full Time Equivalent
AsgiSA	Accelerated and Shared Growth Initiative for South Africa	GIAMA	Government Immovable Asset Management Act
BAS	Basic Accounting System	HIV	Human Immunodeficiency Virus
BAC	Bid Adjudication Committee	HOD	Head of Department
BEC	Bid Evaluation Committee	HR	Human Resource
BBBEE	Broad Based Black Economic Empowerment	IAR	Immovable Asset Register
CEO	Chief Executive Officer	ICT	Information Communication Technology
CFO	Chief Financial Officer	IDP	Integrated Development Plan
C-IAMP	Custodian Immovable Asset Management Plan	IGP	Infrastructure Grant to Provinces
cidb	Construction Industry Development Board	IPMP	Infrastructure Project Management Plan
DAMP	Departmental Asset Management Report	IRS	Internal Revenue Service
DORA	Division of Revenue Act	LIM	Labour Intensive Method
DPSA	Department of Public Service and Administration	LOGIS	Local Government Information System
DQA	Data Quality Assurance	M&E	Monitoring and Evaluation
DRPW	Department of Roads and Public Works	MEC	Member of Executive Council
EBE	Engineering Built Environment	MPAT	Management Performance Assessment Tool
ECD	Early Childhood Development	MINMEC	Minister and Members of the Executive Council
EE	Employment Equity	MISS	Minimum Information Security Standards
EEA	Employment Equity Act	MTEF	Medium Term Expenditure Framework

GLOSSARY (CONTINUED)

MTSF	Medium Term Strategic Framework	PRMG	Provincial Roads Maintenance Grant
NC	Northern Cape	RCC	Risk Champions Committee
NCFMTE	Northern Cape Fleet Management and Trading Entity	RISFSA	Road Infrastructure Strategic Framework of South Africa
NCPG	Northern Cape Provincial Government	RMC	Risk Management Committee
NCPGDS	Northern Cape Growth and Development Strategy	ROD	Rooting Out the Dust
NDP	National Development Plan	SCM	Supply Chain Management
NYS	National Youth Service	SETA	Sectoral Education and Training Authority
OHSA	Occupational Health and Safety Act	SMART	Specific, measurable, achievable realistic and time-bound
PAIA	Promotion of Access to Information Act	SMME's	Small, Micro, & Medium Enterprises
PAJA	Promotion of Justice Administration Act	SLA	Service Level Agreement
PFMA	Public Finance Management Act	TMH	Technical Methods for Highways
PGDS	Provincial Growth and Development Strategy	U-IAMP	User Immovable Asset Management Plan
POE	Portfolio of Evidence	VCI	Visual Condition Index
PPP	Public Private Partnership	WOE	Women Owned Enterprise
PPPFA	Preferential Procurement Policy Framework Act	WBS	Web Based System
PSA	Public Service Act	WO	Work Opportunity

2. INFORMATION ON THE MINISTRY

The Department of Roads and Public Works continues to play a pivotal role in the social and economic transformation of the Northern Cape Province and continues to contribute to the Provincial Growth and Development Strategy by:

- Enhancing job creation through infrastructure investment;
- Implementation and coordination of the Second phase of the Expanded Public Works Programme (EPWP) to address poverty and unemployment while contributing to service delivery;
- The development and strengthening of the Small Medium and Micro Enterprises' targeting previously disadvantaged individuals and communities
- Skills development within the work; and ensuring the realisation of Broad Based Black Economic Empowerment (BBBEE).



MEC MXOLISA SOKATSHA

The Department is responsible for the management of government's immovable assets, to provide accommodation solutions to all provincial departments and other government owned entities; to acquire and dispose immovable assets in terms of the relevant legislations and prescripts. Currently there are 1,941 land parcels recorded in the immovable asset register. I must hasten to say that this is work in progress as both national and provincial departments are in the process of verifying and reconciling immovable assets owned by the state at different spheres.

We have reached the end of Phase 2 of the Expanded Public Works Programme (EPWP) and, the Northern Cape Province has a 5 year target of 106 193 job opportunities. The province failed to reach its year target and created 80,756 job opportunities.

This provincial program named Operation Kgotso Pula Nala is a Township Revitalisation Program which intends to revitalise and beautify townships ensuring that they are habitable, safe and a good place to live in. The department has started to disburse the R50 million allocation to 17 municipalities across the province to benefit 20 towns that were identified by the Executive Committee. It is anticipated that 1,400 work opportunities will be created through this program.

The Rooting out the Dust (ROD) Program entails the eradication of the dusty environment in all the municipal areas of the Northern Cape Province. This program covers the following sectors:

- Infrastructure
- Refurbishment of state owned non-functional buildings
- Environmental and Culture Sector

GENERAL INFORMATION

The successful completion of the following projects:

- Hopetown - Douglas Road
- Upington Hospital also known as the Dr. Harry Surtie Hospital
- Hotazel - Tsineng Road
- Provincial Archives Repository

This annual report is guided by the 2015/16 Annual Performance Plan (APP) and by the Medium Term Strategic Framework (MTSF) (2015 – 2020) as identified by the ruling party. I want to thank the staff and management of the Department of Roads and Public Works for their hard work in ensuring that the department achieved all the goals that it set itself to achieve during this financial year.

The commitment by management as well as all personnel in the department and the utilization of the expertise, skills and talents of all officials is necessary to meet these outcomes in the development of the province. The department sees itself as a trendsetter in service delivery and is therefore not necessarily bound to old ideas. Excellence in performance must start at management level, and the necessary changes to meet the new challenges must be initiated from management. The rest of the officials must be drawn into this new way of thinking.



Mr. Mxolisa Sokatsha
EXECUTIVE AUTHORITY: ROADS AND PUBLIC WORKS

3. REPORT OF THE ACCOUNTING OFFICER

3.1 Overview of the operations of the department

In relation to the funding of infrastructure programmes and in terms of S13 of the Division of Revenue Act, the Provincial Departments of Health and Education are responsible for all capital and maintenance budgets and spending. As the Department, we manage and undertake construction and maintenance on their behalf and entered into service delivery agreements with them.



HOD KHOLEKILE NOGWILI

Compliance with the Construction Industry Development Board (cidb) Act of 2000, which took effect 31 August 2005, is crucial. As an infrastructure delivery organisation, we have registered with the Construction Industry Development Board to gain access to the register of projects and contractors.

The promulgation of the Government Immovable Management Act (GIAMA) in November 2007 (Act 19 of 2007), will enhance the asset management function. The Premier appointed the Member of Executive Council (MEC) for this department as the custodian of immovable assets. We are maintaining a complete asset registers that is service delivery objectives.

- Movable Assets (Furniture and equipment)
- Road Infrastructure
- Immovable Properties (Buildings/Properties)

Extensive in-house and external training of staff and management to cover the following:

- Labour Relations
- Budget process management
- Road Maintenance
- Supply Chain Management Procedures

Phase 3 of the Expanded Public Works Programme (EPWP) commenced on the 1st April 2014 and will end on the 31st March 2019. During this phase all provincial departments are expected to create 85 000 work opportunities. This figure also includes the work opportunities to be created by the municipalities within our province. All 32 municipalities in our province received the incentive grant for the 2015/2016 financial year. Despite this, the challenge of under reporting continues to exist and the current EPWP-IRS reporting system remains a serious challenge.

We were also able to complete several infrastructure projects with varying complexity which means that more people now have access to roads, education and health facilities. Through the dedicated monitoring of infrastructure projects, we are proud of the massive improved quality of workmanship.

The department is confronted by daunting strategic issues that impact on the business of the department. Critical to these strategic issues is the effective implementation of the following strategic policy imperatives rectified during the previous and current financial year.

- The effective implementation of EPWP,
- The effective implementation of the Infrastructure Delivery Improvement Programme (IDIP) process,
- Development of a complete Immovable Asset Register (IAR), and
- The valuation and conditional assessments of all property.

The department has made significant strides in addressing the daunting challenges presented by inadequate roads, as well as the lack of maintenance of infrastructure and public facilities.

Major projects undertaken or completed during the year

Completed Projects:

- De Aar Hospital
- Hotazel – Tsineng Road phase 3
- Reseal of various roads
- Northern Cape Theatre was completed during 2015/16
- Kuruman Hospital: New Guardhouse and Fencing

The following projects are still under construction:

- Mental Health Facility
- Reseal of various roads
- Regravelling of various roads

3.2 Overview of financial results of the Department

3.2.1 Departmental receipts

Departmental receipts	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts						
Sale of goods and services other than capital assets	4,064	3,330	734	5,469	3,898	1,571
Transfers received						
Fines, penalties and forfeits						
Interest, dividends and rent on land						
Sale of capital assets						
Financial transactions in assets and liabilities	-	816	(816)		793	(793)
Total	4,064	4,146	(82)	5,469	4,691	778

- **Tariff**

The fees charged and recovered for services rendered by the various district within the Department have been calculated in accordance with either Provincial or National policy directives and paid into the Provincial Revenue Fund. Tariffs are reviewed annually and are based on sound economic and cost recovery principles in consultation with the Provincial Treasury. Approved tariffs exist for the following major services:

- Letting of properties and related services. This Department maintains a policy of levying market related tariffs for all leaseholds. These tariffs are determined by qualified property evaluators on an annual basis except where rental escalation is determined by running contractual agreements.
- Request for access to Information
- Trading accounts. The basic principle of cost recovery is adhered to in the calculation of trading account tariffs.

3.2.2 Programme Expenditure

Programme Name	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
Administration	125 736	125 651	85	123 697	123 643	54
Public Works	178 024	178 013	11	170 764	170 336	428
Road Infrastructure	1 066 629	1 066 517	112	825 699	825 691	8
Community Based Programme	93 244	92 226	1 018	94 314	94 306	8
Total	1 463 633	1 462 407	1 226	1 214 474	1 213 976	498

The final appropriation for the 2015/16 financial year for the Department of Roads and Public Works was R1,464 billion. Of this amount we spent R 1,462 billion which resulted in a under spending of R1.2 million. An amount of R1.009 million of the EPWP Integrated grant was not received from Treasury and therefore it could not be spend. The balance of R0.217 million was savings on compensation of employees and other goods and service expenditure.

3.2.3 Virement /Roll overs

Virement means that an Accounting Officer may utilise a saving in the amount appropriated under a main division within a vote towards the defrayment of excess expenditure under another main division within the same Vote subjected to certain conditions and limitations. The table below shows the approved virements.

Main Division			Reason
Programme	From R000	To R'000	Over or Under spending
Administration	5 973		Under spending due to appointment of employees made later than anticipated.
Public Works		7 082	Over spending due to the Conditions of properties project.
Roads Infrastructure	5 909		Under spending on current projects.
Community Based programmes		4 800	Over spending on Sol Plaatje cleaning project and other capital projects.

3.2.4 Unauthorised, Fruitless and Wasteful Expenditure

Reason
Incorrect Supplier paid
Interest and Penalties
No show fees

Actions taken

- The department has introduced the Financial Misconduct Committee four years ago to deal with the issues identified above.
- The financial inspectorate is also required to do a monthly audit on all payments to identify possible cases of Fruitless and Wasteful Expenditure.
- Disciplinary action against staff who continuously commits irregular and Fruitless and Wasteful Expenditure.
- Recoupment of money from incorrect supplier paid.

3.2.5 Future plans of the department

- Phase 3 of EPWP has identified 106 193 job opportunities for provincial.
- Create an environment for more labour-intensive production methods, procurement policies that support local jobs and building public-private partnerships.
- Our procurement policies are in line with meeting the objectives of BBBEE and our employment policies support affirmative action.
- Launch a much larger national youth development program focusing on artisanship training which will be linked to skills development opportunities and in turn create decent work opportunities for young people.

3.2.6 Supply Chain Management

The department has been identified as a pilot for the implementation of the new Supply Chain Management (SCM) reform as introduced by National Treasury.

Central Supplier Database

From 1 April 2016 there will be a central supplier database for the entire country. Enterprises who intend to do business with government will be a required to register on this database. Provincial Treasury established a helpdesk to assist service providers to register.

Transversal Contracts

It will be compulsory for departments to participate in transversal term contracts entered into by National Treasury.

Committees

We established the Supply Chain Management unit and all the committees at Head Office and District Committees in order to ease the burden on Head Office. We have established a Contract Management unit that works closely with the project managers.

A major challenge to the department is the inability of most contractors to complete their projects within the identified contract period.

3.2.7 Events after the reporting date

None

3.2.8 Other

Trading entities and public entities

The department has a trading account which is the Northern Cape Fleet Management and Trading Entity.

The Northern Cape Fleet Management Trading Entity is responsible for the acquiring for all fleet requirements for provincial government departments in the Northern Cape Province. The fleet hired out to all the departments in the province and is charged on a daily basis depending on the type of vehicle. The road building equipment is hired out to:

- The department on an hourly or daily basis depending on the type of equipment or type of construction project. Charge out rates is revised annually.
- The HOD of the department is ultimately accountable for the trading account. The day-to-day running of the operations was delegated to the Chief Executive Officer (CEO). Separate financial statements are submitted on an annual basis.
- Legislation under the Trading accounts was established. Roads Capital Account: Ordinance 10 of 1960. Treasury regulations and PFMA. The latter is presented in accordance with the standards of Generally Recognised Accounting Practices (GRAP) in terms of Treasury Regulation 18.2

Performance information

The performance of the department is linked between the Strategic Plan, Operational Plan and the Budget Statement. The Performance Agreements of senior managers are linked to the Operational Plan. The department submits the Quarterly Report in the prescribed form to Office of the Premier and table it at the Provincial Legislature. All the quarterly reports culminate into an Annual Report. The complete and comprehensive report on the performance of the department is captured on the Annual Report.

An Annual Performance Plan (2015/16) was tabled at the Provincial Legislature during April 2015. These plans align departmental activities, outputs and goals with provincial and national policy priorities and the budget. The performance of the department, per programme, is detailed in Part 2 of the Annual Report. In addition to this, the department also submits the following reports:

- In Year Monitoring system
- Quarterly Reports
- Quarterly Infrastructure Report

3.2.9 Sign-off and acknowledgement

This Annual Report is guided by the 2015/16 Annual Performance Plan and by the Medium Term Strategic Framework (2014 – 2019) as identified by the ruling party. I want to thank the staff and management of the Department of Roads and Public Works for their hard work in ensuring that the department achieved all the goals that it set itself to achieve during this quarter.

It is hereby certified that this report:

- Was developed by the management of the Department of Roads and Public Works under the guidance of MEC Mxolisa Sokatsha.
- Accurately reflects the goals and achievements for the financial year 2015/16.



Mr. Kholekile Nogwili
**HEAD OF DEPARTMENT/
ACCOUNTING OFFICER**

4 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR 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 judgements made in this information.

The Accounting Officer is responsible for establishing, and 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 2016

Yours faithfully



Mr. Kholekile Nogwilli
**HEAD OF THE DEPARTMENT/
ACCOUNTING OFFICER**

Date: 28 August 2016

5 STRATEGIC OVERVIEW

5.2.4 Vision

Trendsetters in infrastructure delivery to change the economic landscape of the province.

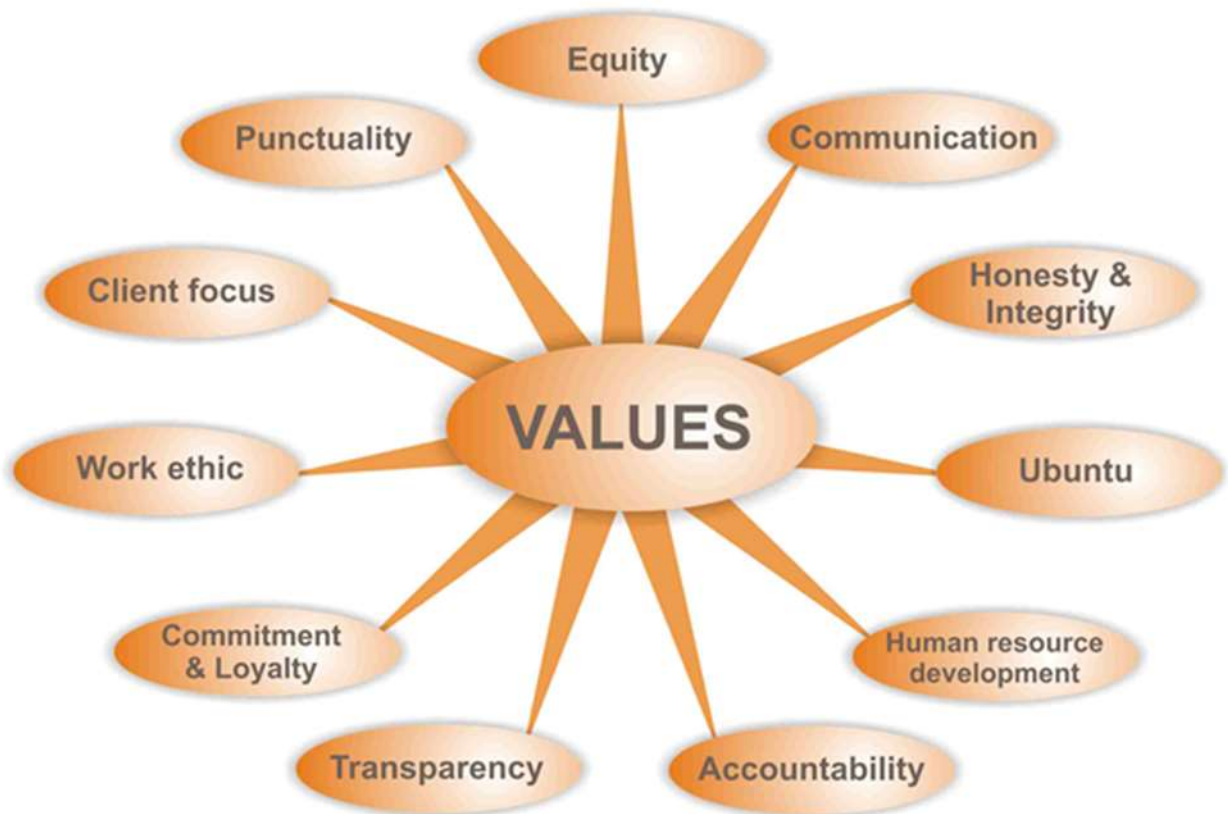
5.2.5 Mission

To provide and maintain all provincial land, buildings and road infrastructure in an integrated, sustainable manner.

5.2.6 Values

The mission and vision statement are driven by the following set of values:

The Batho Pele principles and all government legislated directives as well as all national and provincial priorities are the driving force behind our service delivery strategy.



6. LEGISLATIVE AND OTHER MANDATES

The department's mandate is derived from the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), (hereafter referred to as the Constitution). Certain mandates are concurrent responsibilities, while others are exclusively the responsibility of the provincial sphere of government. These mandates, as well as those derived from functional legislation and policies are outlined in this section.

6.1 Constitutional

Public Works only in respect of the needs of provincial government departments in the discharge of their responsibilities to administer functions specifically assigned to them in terms of the Constitution or any other law.

6.2 Legislative mandates

In terms of the Constitution, 1996, Schedules 4 and 5 provincial governing bodies have been mandated with both concurrent and exclusive legislative competencies for specific functional areas such as:

Act No. 38, 2000 Construction Industry Development Board Act, 2000 to provide for the establishment of the Construction Industry Development Board; to implement an integrated strategy for the reconstruction, growth and development of the construction industry and to provide for matters connected therewith. Identifying best practice and setting national standards. Inclusive to this act is promoting common and ethical standards for construction delivery and contracts.

Advertising along Roads and Ribbon Development Act, Act 21 of 1940 allows for controlling access to roads, advertisements, etc. The responsibility of the department to regulate the display of advertisements outside certain urban areas at places visible from proclaimed provincial roads, and the depositing or leaving of disused machinery or refuse and the erection, construction or laying of structures and other things near the roads and access to certain land from such roads.

Division of Revenue Act (DORA) provides for the equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of government and conditional grants to provinces to achieve government's policy objectives. The following grants have an effect on the execution mandates of the department:

- Devolution of Property Rates.
- Infrastructure Grant to Provinces.
- EPWP Incentive Grant.

National Building Regulations and Building Standards Act, 1977 (103 of 1977) requires the department, as custodian and regulator of the built environment, to ensure that all building and construction work on government property, irrespective of by whom it is undertaken, complies with the legislation.

Road Ordinance, 2976 (Ordinance 19 of 1976) the province has sole authority on relaxing of statutory 5,0m and 95m building lines pertaining to various classes of provincially proclaimed roads. Furthermore, the alteration of roads classification is done in terms of section 4 of the Roads Ordinance.

Basic Conditions of Employment Act, Act 75 of 1997 ensures sound principles in the management of personnel in terms of opportunities, working conditions, time management, etc.;

Communal Land Administration Act (CLARA). The purpose is to grant secure land tenure rights to communities and persons in the communal areas.

Employment Equity Act, Act 55 of 1998 promotes non-discrimination in the workplace by promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination.

Government Immovable Asset Management Act (GIAMA), 2007 (Act 19 of 2007) outlines the sound management of immovable properties that they control. GIAMA clarifies the responsibility of the user and custodian which is the department as delegated by the Premier of the Province.

Labour Relations Act, Act 66 of 1995 ensures sound labour practices within departments.

National Land Transport Act, Act 22 of 2000 ensures the annual updating of the National Land Transport Strategic Framework by the National Department of Transport to form the basis for provincial land transport strategies.

Various other national Acts and strategies on Urban Renewal, Rural Development, Poverty Alleviation, Human Immunodeficiency Virus (HIV)/Acquired Immune Deficiency Syndrome (AIDS), the Community Based Public Works Programme, etc. guide the department in determining objectives, outputs and spending preferences.

Northern Cape Provincial Land Administration Act identifies the responsible persons for the acquisition and disposal of immovable assets. Establishment and maintenance of the provincial asset register.

Public Finance Management Act (PFMA), Act 1 of 1999. The PFMA promotes the principles of efficiency, effectiveness, economy and transparency in departmental management as well as strategic planning and performance measures as basic requirements for service delivery and the preparation of budgets.

Public Service Act, Act 103 of 1994 and regulations require strategic planning, statement of core objectives and the publication of a Service Delivery Improvement Plan which indicates the level of services to be rendered and procedures for communication with clients and the public.

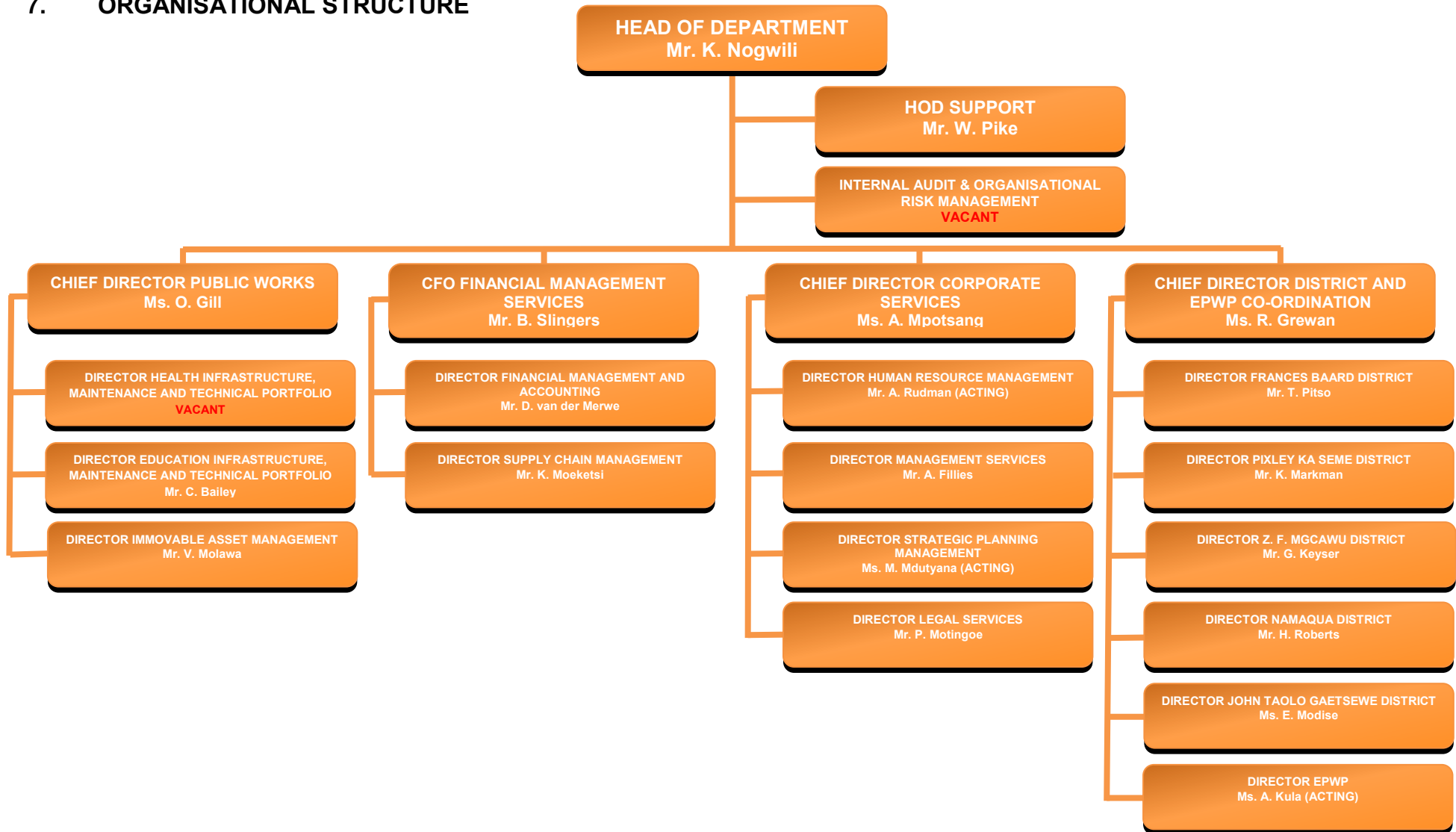
Preferential Procurement Policy Framework Act, Act 5 of 2000 provides specific guidelines in allocating tenders to historically disadvantaged individuals and entities.

Promotion of Access to Information Act (PAIA), Act 2 of 2000: This act gives effect to section 32 of the constitution that indicate that everyone has the right to information held by the state. It encourages transparency and accountability in the public and private bodies.

Promotion of Administrative Justice Act, Act 31 of 2000. It gives effect in order for everyone to have the right to administrative action that is lawful, reasonable, and procedurally fair. Everyone whose right have been adversely affected has the right to given reasons.

Skills Development Act, Act 97 of 1998 provides for training and commits departments to the spending of prescribed amounts on training of personnel.

7. ORGANISATIONAL STRUCTURE



8. ENTITIES REPORTING TO THE MEMBER OF THE EXECUTIVE COUNCIL

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Northern Cape Fleet Management Trading Entity	PFMA Treasury Regulations	The department is providing a subsidy to the entity for Personnel cost.	Providing Fleet service to client departments in the province

PART B

PERFORMANCE INFORMATION

1. OVERVIEW OF DEPARTMENTAL PERFORMANCE

1.1 Service delivery environment

Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	(Over)/Under Expenditure R'000
1 354 650	1 463 633	1 462 408	-1 225
Responsible MEC	MEC of Roads and Public Works		
Administering Department	Department of Roads and Public Works		
Accounting Officer	Head of Department of Roads and Public Works		

Administration

The department has intensified its efforts to enforce good governance through the improvement of the managerial processes such as, budgeting, strategic planning, internal control manuals, control of movable assets and implementation of bar-coding, asset registers, filling of vacant posts, etc.

The focus is on Broad Based Black Economic Empowerment (BBBEE) and therefore there is a need to intensify our support for SMME's as a critical component of BBBEE. The support for SMME's should entail but should not be limited to government instruments such as licensing, registration with the cidb, registration on the provincial supplier database, financial assistance etc. The implementation of the policy or strategy that all service providers must procure their goods and materials within the boundaries of the Northern Cape will further enhance the economic development and financial stability of the SMME's.

Public Works Infrastructure

The purpose of this programme is to meet the accommodation and other specific needs of the provincial departments by initiating, planning, and designing, implementing and managing construction, upgrading, rehabilitation and scheduled and unplanned maintenance of infrastructure related projects. It also includes the rendering of professional services such as architecture, quantity surveying, engineering and project management. Horticultural and cleaning services are also provided under the auspices of property management. The department currently has 1941 land parcels which includes public and private facilities, and of the two 1400 are state owned facilities.

The Department implemented a total of 45 infrastructure projects on behalf of the Departments of Education/Social Development/Agriculture/Health/: 10 projects – planning phase

- 13 projects – tender process
- 2 projects – evaluation
- 5 projects – site hand over
- 1 project – design phase
- 12 projects – in construction
- 2 projects – complete

Transport Infrastructure

The purpose of road infrastructure is to provide a balanced, equitable provincial road network that is accessible to all. The main functions include:

- The planning and design of road infrastructure;
- The construction of new infrastructure and the upgrading of existing infrastructure;
- And routine, preventative and periodic maintenance as well as the rehabilitation of roads. In addition it includes the construction and maintenance of pedestrian bridges where these are required in order to allow for safe pedestrian access to public facilities in non-urban areas.

The upgrading and maintenance of provincial roads taking into account the huge backlog with limited funds, poses an enormous challenge to the province.

The Department of Roads and Public Works has an essential role to fulfil in the vast Northern Cape, as the huge geographical surface poses a tremendous challenge: the enormous task of connecting places would mean more and more roads.

The overall condition of provincial paved roads has improved from 58% in 2012, to 69% in 2014 which is only 6% less than the ultimate goal. The above-mentioned results of the current reseal programme, proves that the department has been hard at work, improving the conditions of our roads, taking seriously the lives and safety of all our road-users and tourists visiting this province. This enormous contribution will seriously reduce the amount of litigation between the road-users and the department. In this quarter the maintenance team has to work extra hard due to the roads that were eroded by the floods, however 100% of the targets set were met despite the challenges the Roads directorate was faced with.

Community Based Programme

The Expanded Public Works Programme remains a priority for this department although it is still a struggle to achieve the provincial set targets. The work opportunities target for departments in the province for 2015/2016 is 16 509, while the target for municipalities for the same period is 5 121.

Currently provincial departments have achieved 31% of their annual target, while municipalities have achieved 30% of their target.

The increased public bodies receiving the EPWP incentive grant requires the Department to increase its capacity to provide support to these public bodies. This Community Based Programme caters for the development of programmes designed to empower and transfer skills to historically disadvantaged communities, thereby facilitating the process of active participation in the economy of the country. In addition, this programme is aimed at the development and incubation of the previously disadvantaged through programmes that utilise the core functions of the department to facilitate the principles of Broad Based Black Economic Empowerment and Youth development.

The Phakamile Mabija Apprenticeship programme continues to compete with the mines in the province, of the 45 learners currently on the programme, 28 learners are still in workplace training and will qualify as artisans in April 2016, and 16 learners are currently busy with phase 3 (workplace training) for a period of 14 months. This competition has also allowed learners wider opportunities for employment and the ability to further their careers. The 17 learners are placed at the following mines:

- 7 learners are placed at the Blackrock Mine
- 3 learners are placed at the Sishen Mine
- 5 learners are placed at the Ulco Mine (AfriSam)
- 2 learners are placed at the Kimberley Mine

1.1 Service Delivery Improvement Plan

1.2.1 Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Erect and construct buildings facilities and office space e.g. schools, clinics and office accommodation depending on the client departments needs	All provincial departments	Meet required building standards approved by cidb	Meet required building standards approved by cidb	All building projects have been completed according to required norms and standards and regulations
		70% of projects in construction are completed (This is based on the projects' annual milestones as per project plan)	Education (17) Health (31) DSD (2) Agriculture (1) Sport (1) Public Works (0)	Education (17) Health (31)-6 (Project were given for forward planning) DSD (2) Agriculture(1) Sport (0) Public Works(0)
Construction and maintenance of roads	All roads users(communities) including mining industries	<ul style="list-style-type: none"> - Meeting required roads standards. - Ensuring that all roads are in good condition throughout their expected life span by maintaining them on a regular basis. - Use well trained technical staff 	<ul style="list-style-type: none"> - Meeting required roads standards. - Ensuring that all roads are in good condition throughout their expected life span by maintaining them on a regular basis. Use well trained technical staff 	Completed 1.8 Square metres of reseal and 352 km of re-gravel
To provide work opportunities and income support to poor and unemployed people through the labour-intensive delivery of public and community assets and services, thereby contributing to development	Communities of the Northern Cape Province	593 Full Time Equivalent (FTE)'s created by DRPW Assets constructed to standard	2 004 Full Time Equivalent (FTE)'s created by DRPW Meet required standards	

1.2.2 Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
All departmental projects are client driven and are done according to the needs of the service beneficiaries	<p>Conduct inspections to all active projects to ensure compliance with Standard specifications and for quality control</p> <p>Speedy Service Delivery</p> <p>Continuous improvement in project management.</p>	<p>Monthly meetings with client department</p> <p>Site meetings with contractor (All stakeholders)</p>

1.2.3 Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
The department is always striving towards Openness and transparency when delivering services	<p>Monthly reports, e-mail and distribute hardcopies</p> <p>Monthly meetings</p> <p>Site meetings with contractor (All stakeholders)</p> <p>Cash Flow statements and predictions provided on adhoc basis</p>	
The department has developed its service charter to inform our clients on the departmental services, operating hours and procedures, addresses, contact persons	<p>Service Level Agreement (SLA) available</p> <p>Cash Flow statements and predictions on every project provided on a monthly basis</p> <p>Implementation of PROMAN system</p> <p>Client participation in the BID Committee meetings</p> <p>Annual reports must improve- presently concentrating on activities and outputs</p>	

1.2.4 Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Complaints are dealt with in the following manner - Site meeting - Site visits - One on one interviews	All complaints and compliments should be done in writing and registered for monitoring and evaluation process.	

1.2 Organisational environment

The Department reviewed the 2008 approved organizational structure which has been recommended by the HOD, approved by the MEC and concurred by the Minister of Public Service and Administration in February 2014, and the department is in the process of implementing it in three years starting during 2014/15. During the last two financial years with a priority on Top Management vacancies, 3 Chief Directors and 3 Directors were appointed. The department needs to increase the pool of qualified and registered Engineers, Architects and Project Managers to enable the department to undertake its projects internally instead of outsourcing them.

The department is losing highly skilled road workers through natural attrition and retirement. To counter these loss of skills the department must implement a skills transfer programme that would enable it to kick start its succession planning strategy should any vacancy arise. The department is currently operating with Head Office and five district offices that are headed by the District Directors.

Human Capital Management is continuing to implement the approved and concurred organisational structure which includes matching and placement exercise, loading new structure on Personnel Salary System (PERSAL), costing and prioritising critical vacant posts for recruitment purposes.

1.3 Key policy developments and legislative changes

The focus is on Broad Based Black Economic Empowerment (BBBEE) and therefore there is a need to intensify our support for SMME's as a critical component of BBBEE. The support for SMME's should entail, but should not be limited to, government instruments such as licensing, registration with the cidb, registration on the provincial supplier database, financial assistance etc. The implementation of the policy or strategy that all service providers must procure their goods and materials within the boundaries of the Northern Cape will further enhance the economic development and financial stability of the SMME's.

An analysis of the socio-economic situation and indicators of the Northern Cape clearly indicates that the most significant challenge that the government and its partners in growth and development phase, is the reduction of poverty.

Phase 3 of the Expanded Public Works Programme (EPWP) commenced on the 1st April 2014 and will end on the 31st March 2019. During this phase all provincial departments are expected to create 85 000 work opportunities

2. STRATEGIC OUTCOME ORIENTED GOALS

The Department's Strategic Outcome Orientated Goals and progress made towards the achievement of the five year strategic plan targets as outlined below:

Strategic goal 1	To promote and support good governance in the department
Aim	The achievement of this goal contributes towards National Outcome 12 and Provincial Strategic Objective12 To ensuring optimal compliance with legislation and policies and effective and efficient service delivery
Justification	Good governance will eliminate inefficiency and ensure effective and regular decision making.

The departmental Corporate Governance Improvement Plan showed positive results toward improving the quality of financial management since it commencement and will be carried forward into future financial years. This can be seen through the department's audit outcomes improved from qualified opinions with findings for the financial years 2009/10 to an unqualified opinion with findings in 2011/12 to 2013/14.

The Department has made great strides to comply with the directive to pay all invoices within 30 days of receipt. The submission of invoices has been centralised to the Finance Section in order to improve the payment value chain. However, we must acknowledge that there are still challenges relating to payment of invoices for work done on behalf of client departments.

In order to align our procurement processes with our stated developmental outcomes, while at the same time ensuring value for every cent of taxpayer's money we spend, our supply chain management processes are also being reviewed. In the past financial year we reconfigured all our bid committees, to ensure fairness of the procurement process. We are also reviewing SCM policies, business processes, charters and delegations in order to improve turnaround times. All our committees have been appointed and we will be appointing a Senior Manager within SCM.

As a department we realised that we need to improve on project and contract management since we faced challenges in the planning, implementation and management of our capital projects. It highlighted project cost overruns, quality concerns, late delivery of projects, as well interest charges on late payments for service providers. For this financial year we placed special emphasis on addressing these challenges and made delivering quality projects, on time, within scope and budget. In addition to improving project management capacity, we are also beefing up our monitoring and control to ensure that service providers perform to agreed standards.

PERFORMANCE INFORMATION

Strategic goal 2	Manage and maintain the provincial property portfolio according to the needs identified of client departments
Aim	To provide and maintain functional and accessible buildings, facilities and office accommodation according to the identified needs of provincial departments.
Justification	With contribution to Accelerated and Shared Growth Initiative for South Africa (AsgiSA): Delivery of social infrastructure, the provision of office accommodation, integrated planning and total asset management.

The payment of rates and taxes for provincial properties continues to be a challenge. However discussions are underway at the Minister and Members of the Executive Council (MINMEC) meetings, Technical MINMEC meetings, Head of the Department (HOD) forums in order to try to find a solution.

Strategic goal 3	Provide and maintain integrated road infrastructure that is safe and functional to support social and economic development that contribute to outcome 6.
Outcome	An efficient, competitive and responsive economic infrastructure network To ensure the maintenance and strategic expansion of our road and rail network, and the operational efficiency, capacity and competitiveness of our sea ports
Justification	This aims to improve the reliability of roads, improve access to communities and foster investment

The Road Infrastructure Programme is responsible for the proclaimed rural road network within the Northern Cape Province. The Provincial Road Network comprises of 3 602 km of paved roads and 23 747 km of unpaved roads and a further estimated 34 000 km of minor gravel roads. The department has a fundamental task of ensuring that road users travel safely and that the provincial roads are improved.

The National Road Network forms the backbone of the overall paved road network in the province, to which the provincial roads form important regional and district distributors, district collectors and access roads:

- The paved provincial road network comprises 3, 602 km, which is only 13% of the total provincial road network, 83% of the paved roads are Class 2 and 3 (regional and district distributors), representing 2 989 km. These roads carry 64% of the traffic per day, i.e. 858 million vehicle-kilometres.
- The average Visual Condition Index (VCI) of the paved network is 67%, which indicates a fair condition. Compared to the previous year, there has been an improvement in the condition by at least 2%.
- The percentage of roads in poor and very poor condition (the backlog) is 17%, which is an improvement of 2% compared to the previous year.
- The percentage of roads in fair condition is 34% which is 9% more than the experienced based recommended maximum of 25%, which shows a high potential need for reseal.
- The Class 2 and 3 roads have similar percentages with approximately 11% in poor and very poor, and 33% in fair condition categories.

PERFORMANCE INFORMATION

Strategic goal 4	Alleviate poverty and create job opportunities.
Outcome	Decent employment through inclusive growth.
Output	Improved Support To Small Business And Cooperatives. Implementation of the Expanded Public Works Programme.
Justification	To ensure delivery of accessible service through integrated, socially just developmental and empowering processes in order to improve the quality of life of communities within the province by the way of community developmental programmes.

Rooting out the Dust is the departments' special program which was implemented during the 2009/10 financial year. The programme's main aim is to assist the province in creating work opportunities through labour intensive methods within municipalities of the Northern Cape Province.

Government, private sector, organisations and individuals will be focusing on skills and training in the artisan sector, therefore the department had an intake of 45 learners, 17 learners completed Phase 1 and 2 (Institutional and Theoretical Training) at De Beers Technical Training Campus and started with Phase 3 (Workplace Training) at various mines through support from Kimberley Mine, Blackrock Mine, Afrisam (Ulco Mine) and Sishen Mine for hosting these learners for a period of 14 months.

3. PERFORMANCE INFORMATION PER PROGRAMME

3.1 Description of each programme

Programme	Sub-programme	Performance measure
Administration To provide the overall management and administrative support of the department. It includes human resources management, financial management and knowledge management. In addition, it provides for strategic direction, integrated planning, communication	1.1. Office of the MEC	To render advisory, parliamentary, secretarial, administrative and office support services.
	1.2. Management of the Department	Overall management of the department.
	1.3 Corporate Support	To manage personnel, procurement, finance, administration and related support services for the department.
	1.4 Departmental Strategy	Provide operational support in terms of strategic management, strategic planning, Monitoring and Evaluation, integrated planning and coordination across all spheres of government, departments and the private sector organisations including policy development and co-ordination
Public Works Infrastructure To provide accommodation for all provincial departments, manage the provincial property portfolio as custodian for the optimum benefit of all those concerned and to render professional and technical services to departments in respect of buildings and related infrastructure.	2.1. Programme support	To render an administrative support service to the professional components with regard to provincial government building infrastructure and property management.
	2.2 Planning	Management of the Demand for Infrastructure. Development, monitoring and enforcement of built sector and development of Infrastructure Implementation plans.
	2.3. Design	Design of new public infrastructure – the intention is that plans should be ready for funding.
	2.4. Construction	New construction and refurbishment
	2.5 Maintenance	Need to have two sub-sub-programmes: 2.1.1.Routine maintenance 2.1.2.Alterations Alterations refers to changes that are required for reasons other than 'maintaining the asset, e.g. changes to interior walls
	2.6 Immovable Asset Management	To manage the property portfolio of the province; to establish and manage the provincial strategic and infrastructure plan; to provide accommodation for all provincial departments and other institutions; to acquire and dispose of accommodation in terms of the plan and in terms of the Land Administration
	2.7 Facility Management	To manage the operation of buildings including facilities management, cleaning, greening, beatification, interior decoration and design and day to day preventative maintenance of electronic, electrical, and mechanical equipment. All services related to managing a building, the actual implementation cost of the projects will be captured under the appropriate sub-sub programme, including security services

PERFORMANCE INFORMATION

Programme	Sub-programme	Performance measure
Transport Infrastructure To promote accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenance of roads infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social and economic growth through socially just, developmental and empowering processes.	3.1 Programme support Infrastructure	Overall management and support of the program
	3.2 Infrastructure Planning	Provides planning for all modes of transport including the movement of goods and passenger to integrate transport and spatial planning
	3.3 Infrastructure Design	To provide design, of road and transport infrastructure including all necessary support functions such as Environmental Impact Assessments, Traffic Impact Assessments, survey, expropriation, material investigations and testing
	3.4 Construction	To develop new, re-construct, upgrade and rehabilitate road and transport infrastructure.
	3.5 Maintenance	To effectively maintain road and transport infrastructure.
Community Based Programme To effectively promote EPWP to beneficiary communities; provide technical support to all relevant stakeholders; design innovative programmes that will enhance contractor development for both women and youth; develop an integrated strategy for monitoring and evaluation and to establish a Provincial implementation plan through co-ordination of individual sector plans	5.1 Programme support	Overall management and support of the program
	5.2 Community Development	Programmes to bring about the development and empowerment of impoverished communities
	5.3. Innovation and Empowerment	Programmes to Develop contractor empowerment, development of new programmes and Training. It also includes learner ships and National Youth Services (NYS)
	5.4. EPWP Co-ordination and Monitoring	This sub-programme includes the management and co-ordination expenditure on the Expanded Public Works Programme.

3.2 STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

3.2.1 PROGRAMME 1: ADMINISTRATION

This programme's core function is to Provide support services and management of the department through giving managerial and administrative leadership. The corporate services provides various support services to ensure the smooth running of the department to create a productive, efficient and creative working environment to enable the department to achieve its overall strategic objective.

- **Strategic objectives**

Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Ensure submission of Human Resource Plan to DPSA that meet all requirements		1 Human Resource Plan	1 Human Resource Plan	0	
Render effective support services within the department	4	85% of all performance indicators achieved	85% of all performance indicators achieved	0	
To render a comprehensive strategic planning and policy development function		6 performance reports and 24 Policies	6 performance reports and 36 Policies	+12 Policies	The department were able to appoint a manager to specifically deal with policies hence the exceeding
To render contractual and legal advisory services	71%	Section 32 PAIA Report submitted	Section 32 PAIA Report submitted	0	
Provide efficient support service through Financial administration and management services to the department	Achieved	1 Unqualified report	1 Unqualified report	0	

• **Performance Indicators**

Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Office of the MEC					
Render advisory, parliamentary, secretarial, administrative and office support services.					
Number of assessments and review of performance through executive meetings	3	4	3	-1	No meeting held in the second quarter due to MEC's busy schedule and was prioritised for a date within the 3 rd quarter.
Budget Vote Speech presented to the Legislature	1	1	1	0	
Management of the Department					
Overall management and support of the department					
Number of senior management meetings assessing and reviewing the departmental performance	4	4	4	0	
Corporate Support					
To manage personnel, procurement, finance, administration and related support services.					
Ensure the implementation of the three year management plan for the filling of vacant funded posts		148	177	+29	The department made a concerted effort to fill all posts that were advertised during August – October 2015
Number of awareness campaigns to promote physical wellness and health of employees	0	12	10	-2	Department concentrated on implementation of other wellness operations in the first quarter i.e. referrals, drafting of operational plan, wellness policies and reports and occupational health and safety.
Number of training interventions undertaken on the Works Skills Plan	39	40	34	-6	The service provider increased their training prices as compared to the price lists they submitted in the previous academic year, by the time the department sourced new quotations it was already late.
Number of labour relations cases not resolved within prescribed period	0	16	18	+2	The presiding officer recused himself just before the deadline. Because of the complexity of the other case the department had to appoint external auditors to do a financial investigation which took time before it could be finalised.

PERFORMANCE INFORMATION

Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Internal, external information sharing and promoting the brand image of department through internal newsletter, magazine editorials and newspaper advertorial	47	56	57	+1	The development of a sports newsletter during resulted into exceeding the set target.
Number of record management inspection done to ensure record are filed according to the file plan	7	11	11	0	
Number of security, pre-screening facilitated for officials and service providers Services Providers Officials	335	100	164	+64	More staff were employed at the road camps therefore the number of officials who completed and signed the declaration of secrecy document increased.
Reduction in the number of abuse/damaged/misused departmental fleet/vehicles	0	80	34	-46	Officials responsible for damaging departmental vehicles are being issued with debt letters, instructing them to pay for the damages incurred.
Number of site inspections done to ensure system are installed and operating effectively	11	11	12	+1	An urgent adhoc site inspection conducted at one of the Districts during the fourth quarter.
Submit prescribed reports as required by Treasury regulations	48	50	50	0	
Number of policies to promote internal control Final draft policies submitted for approval Approved policies revised	 33	12 12	 36	 +12	The department was able to appoint a manager to specifically deal with policies hence the exceeding.
Number of Section 32 reports submitted to the South African Human Rights Commission in terms of Promotion of Access to Information Act	0	1	1	0	
Submit EPRE in line with Provincial guidelines and within prescribed period	4	4	4	0	

PERFORMANCE INFORMATION

Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of payments not processed within 30 days	556	200	1 676	+1476	Delays of invoices from date received. Computer (hardware & software) challenges w.r.t biometric system experienced.
Payroll certification be returned within 30 days after pay date	287	296	177	-119	Challenge with distances of Road Camps scattered across the province.
Number of Tax reconciliation submitted to SARS within prescribed period	1	2	2	0	
Submission of procurement statistics Reports with regard to monthly spending on BBEEE and management of movable assets as per Provincial Treasury Regulations	13	49	18	-31	Disposal and Asset monthly reports for March were not finalised due to financial year end closure
Number of Compliance Audits performed	18	11	16	+5	Additional requests were forwarded to the inspectorate
Number of risk assessment done to update the Risk Register during the year	5	4	4	0	

- Strategy to overcome areas of under performance**

The department should implement and ensure adherence of the payment route form to locate the whereabouts of invoice or payment. (Ensure that there is a single entry point of invoice and compiler at each entry point).

- Linking Performance with the Budget**

	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	Variance	Final Appropriation	Actual expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Sub programme						
1. Office of the MEC	9,057	9,054	3	9,262	9,260	-2
2. Management of the Department	13,199	13,197	2	12,959	12,956	-3
3. Corporate Support	99,005	99,928	77	101,476	101,427	-49
4. Departmental Strategy	4,475	4,473	2	-	-	-
Total for sub programmes	125,736	125,652	84	123,697	123,643	-54

3.2.2 PROGRAMME 2 - PUBLIC WORKS INFRASTRUCTURE

The purpose of this programme is to meet the accommodation and other specific needs of the provincial departments by initiating, planning, and designing, implementing and managing construction, upgrading, rehabilitation and scheduled and unplanned maintenance of infrastructure related projects. It also includes the rendering of professional services such as architecture, quantity surveying, engineering and project management. Horticulture and cleaning services are also provided under the auspices of property management.

- **Strategic objectives**

Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Overall management to the program		95%	95%	0	
Planning of new public infrastructure	1	1 C-AMP	1 C-AMP	0	
Designing of new public infrastructure	11	14	29	+15	
Construct and upgrading of public infrastructure	31	37	15	-22	
Maintenance of Public Provincial Infrastructure	29	25	39	+14	
Maintain a credible and accurate Immoveable Asset Register to meet National Treasury mandatory requirements	1	75%	75 %	0	
Provide and manage offices and residential accommodation (private and state owned)	318	313	421	+108	

• **Performance Indicator**

Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
C-AMP submitted to the relevant Treasury in accordance with GIAMA	1	1	1	0	
Number of infrastructure designs ready for tender	11	13	29	+16	Additional projects submitted by DOE; DSD; DOH: Boegoeberg Clinic & Gathose and drug abuse in-patient facility fast tracked (pre-qualification)
Number of projects surveyed, planned and costed.	11	14	29	+15	Additional projects submitted by DOE; DSD; DOH: Boegoeberg Clinic & Gathose and drug abuse in-patient facility fast tracked (pre-qualification)
Number of capital infrastructure projects completed within the agreed time period	17	37	7	-30	Ablution projects were running late due to withdrawal projects by client departments thus resulting in contractors not completing within the contract period
Number of capital infrastructure projects completed within agreed budget	31	37	15	-22	Projects were running late due to (strike action) and variation order (v/o) not yet approved by user department Ablution projects were running late due to withdrawal by client departments
Number of capital infrastructure projects in construction	10	14	24	+10	10 project of education that were on hold re-commenced
Number of capital infrastructure projects completed	31	37	15	-22	Projects were running late due to (strike action) and variation order (v/o) not yet approved by user department Ablution projects were running late due to withdrawal by client departments
Number of planned maintenance projects awarded	24	25	43	+18	Client departments requested more projects than planned

PERFORMANCE INFORMATION

Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of planned maintenance projects completed within the agreed contract period	29	25	19	-6	The SMME contractor are struggling to completed projects in agreed time
Number of planned maintenance projects completed within agreed budget	29	25	39	+14	Client departments requested more projects than planned
Number of projects in construction	70	25	45	20	Client departments requested more projects than planned
Total number of maintenance projects completed	29	50	94	44	Client departments requested more projects than planned
Immovable Asset Management					
To manage the property portfolio of the province; to establish and manage the provincial strategic and infrastructure plan; to provide accommodation for all provincial departments and other institutions; to acquire and dispose of accommodation in terms of the plan and in terms of the Northern Cape Land Administration Act.					
Number of immovable assets verified in the IAR in accordance with the mandatory requirements of National Treasury	1235	200	286	+86	More reports of Immovable Asset were received from the consultants thus the department was able to verify more Immovable Assets in accordance with the mandatory requirements
Number of properties receiving facilities management services	12	13	13	0	
Number of condition assessments conducted on state owned buildings	306	300	408	+108	The service provider intervened by providing extra teams to perform the work in order to complete the project on time.

- **Strategy to overcome areas of under performance**

Clarity must be sought and decision must be reached with the involvement of Independent Development Trust (IDT) and the SLA they signed with DRPW and NDPW.

- The department intensified the Contract Development Programme to assist contractors.

- **Linking Performance with the Budget**

2015/16				2014/15		
	Final Appropriation	Actual Expenditure	Variance	Final Appropriation	Actual expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Sub programme						
1. Programme Support	2,133	2,132	1	3,889	3,888	-1
2. Design	8,613	8,611	2	6,542	6,540	-2
3. Construction	8,891	8,890	1	13,044	13,042	-2
4. Maintenance	38,500	38,497	3	73,542	73,522	20
5. Immovable Asset Management	115,171	115,169	2	69,514	69,095	-419
6. Facility Operations	4,716	4,714	2	4,251	4,249	-2
Total for sub programmes	178,024	178,013	11	170,764	170,336	428

3.2.3 PROGRAMME 3: TRANSPORT INFRASTRUCTURE

The purpose of this program is to provide a balanced, equitable provincial road network. The main functions include the planning, design, construction and upgrading of provincial road infrastructure, as well as the routine preventative and periodic maintenance and rehabilitation of roads. When referring to roads this include the paved, unpaved roads and bridges.

- Strategic objectives**

Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Develop sound strategies for roads directorate		2	2	0	
Provide Planning tools to enhance directorate functions	6	6	6	0	
Design necessary roads and related structures	10	5	5	0	
Construct, Upgrade and Rehabilitate roads and bridges	17.3 km	33 km	26.2 km	6.8 km	Hondeklip Bay Road, Phase 2, started later than anticipated.
Maintenance on surfaced and gravel roads, including structures		2% (100 km) gravel roads 6% (40 km) structures and road furniture	2% (100 km) gravel roads 6% (40 km) structures and road furniture	0	

• **Performance Indicators**

	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Programme Support Infrastructure						
The overall management and support of the programme managing activities of the professional components strategically, rendering administrative support services to the professional components with regard to road proclamations, way leaves and financial matters.						
Infrastructure Planning						
Provide policy and legislative framework for transport to provide network planning for proclaimed roads; to integrate transport and spatial/development planning; transfer payments to local authorities for planning and design of roads that qualify for subsidy.						
	Number of reports done for management system	5	5	5	0	
	Report- Infrastructure reports	1	1	1	0	
Infrastructure Design						
Provide geometric, material, structural and traffic engineering designs of provincial proclaimed roads; provide laboratory, survey, drafting, expropriation, and computer and road accident data services; to provide management information systems for the provincial road network.						
	Number of designs completed	5	4	4	0	
	Number of specification documents for structures	5	1	1	0	
Construction						
To construct and rehabilitate provincial proclaimed roads through contracts and Public Private Partnerships (PPP's); to render transfer payments to local authorities for road projects that qualify for subsidy.						
	Number of lane-kilometres of new surfaced roads constructed		0			
	Number of new gravel roads constructed		0			
	Number of square meter of surfaced road upgraded		0			
	Number of km of gravel roads upgraded to surfaced roads	17.3	33	26.2	6.8	Hondeklip Bay Road, Phase 2, started later than anticipated.
	Number of square meter of non-motorised transport facility constructed		0			

PERFORMANCE INFORMATION

	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Maintenance						
To maintain provincial proclaimed roads; transfer payments to local authorities acting as agents for the province; augmentation of roads capital account (Ordinance 3 of 1962) to provide for additional capital; to render technical support including radio network services and training.						
	Number of square metres of surfaced roads rehabilitated	71.319	40 000	40 700	+700	There was a request from the tribal authority to do Bell Mouth road
	Number of square meters surfaced roads resealed	1 492 114.12	1 600 000	1 778 005	+178 005	A resealing of 20 meters were done on municipality road (De Aar)
	Number of km of gravel roads re-gravelled	341.30	285,5	352.13	+66.6	The deviation is due to flood damages which occurred in Namaqua and Z.F Mgcawu Districts.
	Number of square meters of blacktop patching	72 976.407	41 500	48 026.68	+6 526	Due to the delay in award of the Hondeklop Bay project 2.7 km on upgrades) additional potholes that came as a result of the R31 road and heavy rains in Namaqua and Z.F Mgcawu Districts. This resulted in the additional 6 526 square metres of blacktop patching
	Number of kilometers of gravel roads bladed	69 009.95	75 000	66 124.56	-8 875	Breakdown of graders due to aging and resources of regraveling were reallocated to districts which were affected by flood damages
	Number of kilometres of surfaced roads visually assessed as per the applicable Technical Methods for Highways (TMH) Manual	3 553	3 531	3 579	+48	Additional upgrade were done on existing roads thus resulting in the increase on the network
	Number of kilometres of gravel roads visually assessed as per the applicable Technical Methods for Highways (TMH) Manual	11 310	11 310	11 662	+352	Additional minor roads were assessed

PERFORMANCE INFORMATION

- **Strategy to overcome areas of under performance**

- The department should maximise available resources by concentrating on the most affected roads.
- The department should invest in the training of roads workers in grader operation as the current grader operators are retiring.

- **Linking Performance with the Budget**

	2015/16			2014/15		
	Final Appropriation	Actual Expenditure	Variance	Final Appropriation	Actual expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Sub programme						
1. Programme Support Infrastructure	5,005	5,003	2	4,197	4,195	-2
2. Infrastructure Planning	22,381	22,380	1	16,132	16,131	-1
3. Infrastructure Design	4,449	4,447	2	3,815	3,813	-2
4. Construction	122,411	122,408	3	340,120	340,117	-3
5. Maintenance	912,383	912,279	104	461,435	461,435	0
Total for sub programmes	1,066,629	1,066,517	112	825,699	825,691	-8

3.2.4 PROGRAMME 4: COMMUNITY BASED PROGRAMME

To manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. This includes the provincial management and co-ordination of the Expanded Public Works Programme. Overall management and support of the branch including provision of back office technical administration, provision of built sector knowledge management services, finance, built sector supply chain management and management of stores, tele-communications as well as serving as the co coordinating division of the branch.

- **Strategic objectives:**

Strategic objectives	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Management and support to the programme		4 meetings	4 meetings	0	
Programmes to bring about the development and empowerment of impoverished communities	1187	100%	52%	-48%	
Empower EPWP designated groups to become employable	17	3	3	0	
Provincial coordination and support function is extended to all public bodies	49	58	52	-6	

PERFORMANCE INFORMATION

• **Performance Indicator**

	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Programme support						
Overall management and support of the programme						
Community Development						
Programmes to bring about the development and empowerment of impoverished communities						
	Numbers of EPWP work opportunities created by the Provincial Department of Public Works and Roads	1187	4 850	2 533	-2 317	Under achievement is due to delays in the implementation of the infrastructure projects
	Number of full-time equivalents (FTE's) created by the Provincial Department of Roads and Public Works	554.51	2 004	632.2	-1 371.8	Implement projects that's for longer than 3 months and lesser than 12 months
Innovation and empowerment						
Programme to develop contractors' empowerment, development of new programmes and training. It also includes learner ships and NYS						
	Number of Beneficiary Empowerment Interventions	2	3	3	0	
EPWP Coordination and Compliance Monitoring						
This sub-programme includes the management and coordination of expenditure on the Expanded Public Works Programme.						
	Number of public bodies reporting on EPWP targets within the Province	41	42	39	-3	Non responsiveness of public bodies to our attempt to provide support to them in order to improve on reporting
	Number of interventions implemented to support public bodies in the creation of targeted number of work opportunities in the province	9	16	13	-3	Non responsiveness of public bodies to our attempt to provide support to them in order to improve on reporting
	Number of jobs created	-	4 850	1 228	-3 622	Under achievement is due to delays in the implementation of the infrastructure projects
	Number of full time equivalents (FTEs) Created	-	2 004	212.4	-1 791.6	Under achievement is due to delays in the implementation of the infrastructure projects
	Number of youths employed (18-35 years of age)	-	2 667	710	-1 957	Under achievement is due to delays in the implementation of the infrastructure projects

PERFORMANCE INFORMATION

Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of women employed	-	2 667	508	-2 159	Under achievement is due to delays in the implementation of the infrastructure projects
Number of people living with disabilities		97	0	-97	It is difficult to recruit people or persons living with disabilities as all of them are not interested in EPWP work as they receive disability grants.

- **Strategy to overcome areas of under performance**

The department will have to relook at the types of jobs created in order to make sure that we reach the FTE targets that we set for ourselves and increase the number of projects that will lead to more work opportunities created by the department. The Contractor Development Policy and the database have been developed.

- **Linking Performance with the Budget**

	Final Appropriation	Actual Expenditure	Variance	Final Appropriation	Actual expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Sub programme						
1. Programme Support	2,326	2,325	1	1,561	1,560	-1
2. Community Development	81,037	80,025	1,012	84,707	84,705	-2
3. Innovation and Empowerment	7,969	7,966	3	5,172	5,170	-2
4. EPWP Coordination and Monitoring	1,912	1,910	2	2,874	2,871	-3
Total for sub programmes	93,244	92,226	1,018	94,314	94,306	-8

4. TRANSFER PAYMENTS

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

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Government Motor Transport				-		
Construction SETA				626		
Public Sector SETA				111		

5. CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

	Provincial Roads Maintenance Grant	EPWP Incentive Grant
Department who transferred the grant/earmarked funds	Department of Transport	Department of Public Works(Vote 7)
Purpose of the grant/earmarked funds	-To supplement provincial roads investments and support preventative, routine and emergency maintenance on provincial road networks-Ensure provinces implement and maintain road asset management systems-Promote the use of labor-intensive methods in road maintenance-Repair roads and bridges damaged by floods	-To incentivise provincial departments to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP guidelines: of road maintenance and the maintenance of buildings of low traffic volume roads and rural roads of other economic and social infrastructure
Expected outputs of the grant/earmarked funds	Collected pavement and bridge condition data as well as traffic data-The extent of the road (length) and bridge(number) network-Maintenance needs of the road and bridge network-Number of EPWP work opportunities created-Nr of S3 students provided with experiential internships-Nr of emerging contractor opportunities created - Rehabilitation and repair of roads and bridges damaged by floods	-Increased number of people employed and receiving income through the EPWP- Increased average duration of the work opportunities created-Increased income per EPWP beneficiary
Actual outputs achieved	Yes	Yes
Amount per amended DORA		
Amount received(R'000)	R822 430	R3 493
Reasons if amount as per DORA was not received	All funds received	All funds received
Amount spent by the department(R'000)	R822 430	R3 493
Reasons for the funds unspent by the department	Spent 100%	Spent 100%
Reasons for deviations on performance	No deviation	No deviation
Measures taken to improve performance	We intend to make sure that we start early with the procurement processes and that the designs is completed.	We will make sure that we start early with our job creation project.
Monitoring mechanism by the receiving department	We have a Chief Directorate in the department that specifically deals with road infrastructure. We appoint a project manager for each project that we undertake.	The department does have a dedicated unit that deal with the payments.

6. CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

Infrastructure projects	2015/2016			2014/2015		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets			-	11,105	10,687	418
Existing infrastructure assets	1,059,406	1,058,181	1,225	830,455	830,453	2
Upgrades and additions	139,217	138,208	1,009	116,781	116,779	2
Rehabilitation, renovations and refurbishments	32,739	32,739	-	32,750	32,750	-
Maintenance and repairs	887,450	887,234	216	680,924	680,924	-
Infrastructure transfer				2,411	2,410	1
Current	891,845	889,431	2,414	2,411	2,410	1
Capital	171,956	170,947	1,009			-
Total	1,059,406	1,058,181	1,225	843,971	843,550	421

Transport Infrastructure

The following projects were successfully completed:

- Upgrading of the Hotazel to Tsineng, Phase 4 (Magojaneng - Gatshekedi), Rusfontein to Laxey Phase 1 and Dithakong, Phase 1.
- Rehabilitation of N14 to Heiso, Postmasburg to N14 (in partnership with Assmang Mine) and the asbestos road in Gasehubane.
- Reseal of Hopetown to Koffiefontein junction, the following Trunk Roads: Van der Kloof Dam, Koffiefontein junction to Phillipstown, Phillipstown to De Aar, Danielskuil to Postmasburg.

JTG Roads Projects

The successful construction of the much demanded JTG-roads is proof of this department's commitment to communities.

- N14 to Dithakong: The first 10 kilometers was completed during March 2016 and the next 10 kilometers is 60% complete.
- Rusfontein to Laxey the first 10 kilometers was completed in October 2015 and construction is about to commence on the next 10 kilometers. The executive management continues to meet with the Roads Forum on a frequent basis as it aims to work in collaboration with the community.

Hotazel to Tsineng Road

- Phase 4 entails construction from Magojaneng to Gatshekedi and created a total of 50 job opportunities to date at a cost estimate of R 30 million.
- Phase 5 entails construction from Gatshekedi to Maipeng and created a total of 50 job opportunities to date at a cost estimate of R 30 million.

Garies to Hondeklip Bay Road

The construction of the Garies to Hondeklip Bay Road, Phase 2 is 15% complete and an estimated amount of R 20 million has been earmarked.

New reseal projects

The department will undertake the following reseal projects Barkley West to Danielskuil, Britstown to Vosburg, Askham to Rietfontein, Loxton to Victoria West, Western Cape Border to Victoria West, Loxton to Carnarvon and Kleinsee.

The department has made real improvements delivering high quality projects, better designed and better maintained local roads.

Through this programme we were able to complete:

- The rehabilitation of 40 700 m² of surfaced road
- Resealing of 1.8 million m² of surfaced road
- Regravelling of 352 kilometers
- Patching of more than 48 027m² potholes
- Blading of 66 125 blade kilometres

Public Works Infrastructure

At the end of March 2016 the department had 1,899 land parcels. The Asset Register contains moving targets as the status of properties change during the course of the year and simultaneously the process of verification and reconciling of immovable assets is on-going.

The Conditional Assessments and Valuation of State Property process must be executed once in five years, *section 13(1)(d)(iii)* Government Immovable Asset Management Act 19, 2007 (GIAMA). The department is embarking on an intensive technical drive to conduct not only condition assessments on provincial properties but also the following activities:

- Valuations of all Provincial properties
- Zoning (ensuring all facilities are properly zoned)
- Surveying
- Reproduction of as-built diagrams
- Production of maintenance costs reports.

PERFORMANCE INFORMATION

Project Name	Number of units	Progress to date
EDUCATION		
Ablution Blocks	18	4 x Construction – 65% to 85% complete 13 x Completed 1 x Terminated
Administration Blocks	2	2 x Completed
Classroom Blocks	2	1 x Site handover 1 x Construction – 80% complete
School Halls	1	1 x Construction – 85% complete
Media Centres	2	1 x Construction – 70% complete 1 x Completed
ECD Classrooms	4	1 x Adjudication phase 3 x Construction – 40% to 95% complete
SPORTS, ART AND CULTURE		
Upgrading of the Northern Cape Theatre		Completed – F/A and retention outstanding
SOCIAL DEVELOPMENT		
Kimberley Drug Abuse In-patient Facility: Bulk Earthworks		Construction – 95% complete
De Aar Secure Care Centre: Completion of Additional Accommodation		Site handover
AGRICULTURE		
Conversion of Offices into Vet Offices		Phase 1 is completed Phase 2 is in planning
HEALTH		
De Aar Hospital Main Hospital	92 beds including Infrastructure.	97% Complete
Mental Health Facility Main facility	266 beds	88% Complete – behind schedule
<u>Upgrading / Maintenance / Refurbishment Programmes</u>		
Tshwaragano Hospital: Upgrading		In Documentation Phase
Tshwaragano Hospital: Emergency Medical Services: Upgrading		Site handover
Calvinia Hospital: Upgrading of Emergency Medical Services		Construction – 30% complete
Galeshewe Day Hospital: Refurbishment including Medical Gas		In Documentation Phase
Carnarvon CHC: Refurbishment		In Documentation Phase

PERFORMANCE INFORMATION

Project Name	Number of units	Progress to date
Wegdraai Clinic: Upgrading		In Documentation Phase
<u>New infrastructure / Installations Programme</u>		
Kuruman Hospital: New Guardhouse and Fencing		Completed – F/A outstanding
Installation of generator sets at various facilities Part A & B		Construction – 50%
Prieska CHC: Construction of Guardhouse & Fencing		Construction – 25% complete
Douglas Hospital: Construction of Guardhouse & Fencing		Construction – 20% complete
Victoria West: Construction of Guardhouse & Fencing		Construction – 35% complete
Noupoort CHC: Construction of Guardhouse & Fencing		Construction – 85% complete
Britstown CHC: Construction of Guardhouse & Fencing		Construction – 80% complete
Upington: Gordonia Hospital: Construction of Fence and Solar Lights		Construction – 25% complete
<u>Clinics Programme</u>		
Boegoeberg: Construction of New Clinic		Site handover
Bankhara Bodulong: Construction of New Clinic		Site handover

PART C

GOVERNANCE

1. Introduction

The following elements of governance will remain the focus for the coming year:

a) Accountability

Annual Performance Contracts are signed with the departmental Senior Management that is linked to the Annual Performance Plan. We are using the Management Performance Assessment Tool (MPAT) as a yardstick to monitor the improvement of governance processes in the department.

b) Discipline

Disciplinary processes within the department are aligned to both the disciplinary code, departmental procedures and are geared towards ensuring efficient service delivery. The department at all times strives towards consistent and a just application of our disciplinary processes.

c) External Reporting

Monthly reporting, focusing primarily on financial issues, will still continue during the new financial year. The department will however increase its focus on reliable and accurate projections of expenditure and revenue. In the first instance, this will control the risk of incurring unauthorised expenditure in relation to overspending of the Vote. Secondly, wasteful expenditure, in the form of interest penalties due to late payments will also be limited. The department is continuously striving to improve its Annual Report.

2. Risk Management

A Consolidated Risk Report was provided by the department in order to gain an understanding of the most significant inherent risks facing the department. An approach of identifying and rating the most significant risks that could prevent the department from achieving its objectives was adopted. The methodology is based on the principle that:

- Executive, Senior and Middle / Operational management, together with their nominees are active participants in the risk identification and assessment process. The department conducts risk assessments annually, monitors the actions to mitigate risks monthly and report progress on these actions to the Risk Management Committee (RMC) quarterly.
- The Risk Management Committee was established in 2012 and is still functional. The committee is chaired by an independent person and is meeting on a quarterly basis. The primary objective of the Committee is to assist the Accounting Officer in discharging his accountability for risk management by reviewing the effectiveness of the institution's risk management systems, practices and procedures, and providing recommendations for improvement.
- Programme Risk assessments are conducted on a quarterly basis in order for the relevant Programme Managers to review and update existing risks; and identify emerging risks. Significant risks relevant to objectives are assessed in terms of its likelihood and impact. Risk treatment plans with target dates are

developed and risk owners are allocated for the treatment of the risks. The Programme risk register is approved by Programme Managers.

- The department also established the Risk Champions Committee (RCC) whose role is to assist the Chief Risk Officer and Risk Owners resolve risk related problems.
- The department sees progress in the management of risks as it was rated on Level 4 on the Department of Performance Monitoring and Evaluation's Management Performance Assessment Tool (MPAT).

3. Fraud Prevention

To meet its responsibility with respect to providing reliable financial information, the department maintains financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are appropriately authorised and recorded, and assets are adequately safeguarded against material loss through unauthorised acquisition, use, or disposal.

We established a number of units and interventions in order to improve internal control, such as the:

- Numerous policies to assist with the internal control measures,
- Establishment of a Risk Management Committee,
- Financial Misconduct committee, and the
- Monitoring and Evaluation unit.

Consequently, even an effective internal control system can only provide reasonable assurance with respect to financial statement preparation and the safeguarding of assets. We have a dedicated official that do follow-ups on all the Presidential Hotline, Public Service Commission, Public Protector cases.

The department has a Fraud Prevention Plan, which was approved during September 2013. The Department's Whistleblowing Policy is approved in September 2013. This policy clearly outlines the procedures which must be followed in reporting fraud and corruption and how such matters must be dealt with. The department has communicated this policy to all its employees. The department is also in a process of conducting workshops in all districts to educate its employees on this policy and the first workshop was held.

The Whistleblowing Policy clearly sets out the procedures which must be followed on how to report fraud and corruption e.g. they can approach their immediate supervisor, HOD, South African Police Services (SAPS), Audit Committee etc.

4. Conflict of interest

- Members of the Senior Management Service as well as other employees annually disclose their financial interest. All declarations of the Senior Management are submitted to the Public Service Commission. We have a register of other officials to declare their interest annually.
- All Members of Bid Adjudication Committee (BAC) and Bid Evaluation Committee (BEC) must sign a declaration of interest at each meeting. The contractors are also required to declare their interest.

5. Code of conduct

All employees are expected to comply with the departmental Code of Conduct. The purpose of the Code is to guide employees as to what is expected of them from an ethical point of view, both in their individual conduct and their relationship with others. We adopted a code of conduct and it was work shopped with all district employees.

6. Safety, Health and Environmental issues

- The Occupational Health and Safety Act (OHSA) imposes the responsibility on the department to ensure the physical safeguarding of its infrastructure sites, as well as ensuring the physical health and safety of its employees.
- The department has and maintains a Health and Safety Management Programme inclusive of Health and Safety Policy in accordance with this act. We have appointed Health Officers in all the Districts in order to make sure that all our employees are not exposed to working in an unsafe environment. Some of the identified issues are:
 - Camp sites of road workers,
 - Serviced fire extinguishers must be inside all plant, and
 - The roadworthiness of all vehicles.
- First Aid Level 1—2 and firefighting training (Certificate valid for 3 years)
 - The objective of first aid regardless of the situation is to preserve life, prevent the ill or injury from becoming worse and promote recovery.

7. Portfolio Committees

The department attended the Portfolio Committee meeting on the budget during April 2015. The committee accepted our budget, but raised a concern with regards to the condition of our roads.

We also presented our First Quarter Report during September 2015.

Committee Recommendations

The department must ensure that it:

- Improves compliance in their expenditure on Programme 3 and 4.
- Reporting of progress on construction of buildings of client departments is consistent.

GOVERNANCE

- Have specific, measurable, achievable realistic and time-bound (SMART) targets.
- In the bidding process work on resolving the low per capita of the John Taole Gaetsewe District.

No	Papers, reports and information requested by the Committee	Departmental Response
1	Report on the construction of all the roads in JTG area	Report was submitted
2	A plan to source funds to alleviate budget constraints for the payments of arrears on all immovable assets including new acquisitions	Report was submitted
3	How expression is given to the National Development Plan (NDP) priorities in the APP	Report was submitted

Standing Committee on Public Accounts (SCOPA) Resolutions

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
6.1	Ensure that set targets relating to the programme aimed at uplifting and empowering of emerging contractors and the community are realised	Lack of policies and capacity within the unit	We have finalised the contractor development policy which was approved.	No
6.2	Ensure that the register with tenants occupying state owned property is updated speedily	Some of the leases were concluded by the client department without our knowledge.	We have collected all the information from them and were able to compile the register.	Yes

8. Internal Control Unit

To meet its responsibility with respect to providing reliable financial information, the department maintains financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are appropriately authorised and recorded, and assets are adequately safeguarded against material loss through unauthorised acquisition, use, or disposal.

We have established a number of units and interventions in order to improve internal control:

- Numerous policies to assist with the internal control measures,
- Risk Management Committee,
- Financial Misconduct committee, and the
- Monitoring and Evaluation unit were established.

Consequently, even an effective internal control system can only provide reasonable assurance with respect to financial statement preparation and the safeguarding of assets.

The Internal Control Unit is vested in the office of the HOD of the Department. The work that the unit performed included, but is not limited to the following:

- The focus of this unit was to keep record of all our tender documentation and financial records;
- The unit submitted twelve reports to the HOD on irregular expenditure and also serve as the secretariat on the financial misconduct committee;
- Development of a Supplier Invoice Tracking system to ensure that invoices are paid within 30 days;
- Review of the financial delegations that now encapsulates a process approach;
- Exercising of payment voucher control;
- Conducting of programmed physical site inspections with reporting in the areas of: gift registers; invoice registers; cashiers inspection; face value forms and other ad hoc investigations;
- Investigating the validity of alleged irregular, fruitless and wasteful expenditure and recommending remedial action;

9. Internal Audit and Audit Committees

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

DEPARTMENT OF ROADS AND PUBLIC WORKS

1. REPORT OF THE AUDIT COMMITTEE

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

2. 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 four times during the year in compliance with the PFMA and the Audit Committee Charter. The Audit Committee also met with the Auditor-General.

The names of the members of the Audit Committee as well as the number of meetings attended by the members are reported in the Annual Report.

3. 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.

4. THE EFFECTIVENESS OF INTERNAL CONTROL

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

The following internal audit assignments were completed during the year under review:

- Review of the Annual Financial Statement for 2014/2015
- MPAT Assessment,
- Review of the Interim Financial Statement as at 30 September 2015,
- Performance information,
- Risk management, including fraud management and ethics,
- Fleet management,
- Immovable assets,
- Provincial Road Maintenance Grant (PRMG),
- Project and Contract Management,
- Supply Chain Management, as well as
- Follow up audits on Transfers/Subsidies, Risk Management, PRMG, Fleet Management, Information and Communication Technology (ICT) and the Auditor-General Audit Action Plans.

The following were areas of concern:

Performance information needs to be strengthened as follows:

- Collecting, processing, analysing and collecting evidence on performance information.
- Verification of portfolio of evidence (completeness and interpretation).
- Providing reasons and corrective action for variances.

Risk Management processes need to be strengthened as follows:

- The responsibilities of the Risk Management Committee members and those of the risk champions to be incorporated into the appointed members' performance management and development systems.
- Risk Management processes to be guided by an approved Risk Management Procedure Manual.
- Development of the terms of reference for the risk champions committee.
- Communicating and training on risk management and fraud within the department.
- Alignment of the Fraud Prevention policy/strategy (with regards to the Fraud Prevention Committee) and the terms of reference of the Financial Misconduct Committee.

Fleet management needs to be strengthened as follows:

- Develop clear and concise standard policies and procedure manuals for subsidised vehicles.
- Develop operational risk register for the unit that is aligned to the strategic risk register.
- Enhance controls with regards to the management of short term rentals.
- Enhance the monitoring processes in place to ensure that usage of vehicles is adequately monitored, to prevent the abuse and misuse of state fleet.
- Review the departmental Transport Policy on an annual basis.

- Enhance the accidents process including the department's investigation processes.
- Develop processes to manage processing of payments by the department to the Entity
- Develop and formalise monthly reporting.

Immovable Assets need to be strengthened as follows:

- Develop clear and concise standard policies and procedure manuals that will assist the unit in achieving their objectives.
- Develop adequate and efficient record keeping processes.
- Continuous monitoring of all lease databases to assist with the monitoring of all state owned land, houses and buildings.

Project and contract management, including SCM need to be strengthened as follows:

- Approval by the relevant stakeholders of all key documents such as SLA's, Infrastructure Programme Management Plans (IPMP), Infrastructure Programme Implementation Plan (IPIP), sketch plans final designs,
- Completeness of project and contract management files/system,
- Implementing legal recourse for projects not completed as required (timeously, quality),
- Management of professional service providers (PSP) fees,
- Approval of draft Contract Management Policy, and the
- Approval of the draft SCM Policy.

Management has however developed a pragmatic action plan to address the above issues within a reasonable time period.

5. 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.

6. EVALUATION OF FINANCIAL STATEMENTS

- 6.1 The Audit Committee has reviewed the unaudited financial statements for the year ended 31 March 2016 for the department and has discussed matters of concern with management. The Audit Committee further reviewed the audited financial statements and discussed the statements with the Auditor-General as well as the Accounting Officer.
- 6.2 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.
- 6.3 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.
- 6.4 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.
- 6.5 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.
- 6.6 The Audit Committee has reviewed significant adjustments resulting from the audit as part of the review of the audited financial statements.
- 6.7 The Audit Committee hereby indicates its concurrence with the Auditor-General's conclusion on the annual financial statement as well as the unqualified audit opinion of the Auditor-General.

7. INTERNAL AUDIT

The Audit Committee is satisfied as to effectiveness of internal audit function during the year and that the internal audit activity has to a large extent addressed the risks pertinent to the Department.

8. 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 except for the following which were still in progress:

Irregular Expenditure:

- Review and approval of the Irregular expenditure policy and the draft SCM policy.
- Approval of the structure on consultants for the transfer of skills.

Human Resource Management:

- Verify employees' applications / qualifications through SAQA from 1 April 2015.
- Perform job evaluations, and prepare memo to support salary increases.

Expenditure Management:

- Consider all payments through LOGIS (Including infrastructure projects). LOGIS to be utilised as basis for commitments / accruals.

Revenue Management:

- Implement an electronic rental billing system to be updated monthly and to issue rental statements.

Asset Management:

- Assets registered in the North-West Province to be corrected on deeds.

Service Delivery - Public Works

- Register project managers with project and construction management council to ensure compliance with the Project and Construction Management Act No 48 of 2000.

Employee Costs:

- Perform job evaluations on all employees and implement a register.

Internal Controls:

- Development and approval of departmental policies.


Sector Audit

- Develop an inspection plan and update with properties.
- Conduct needs evaluation and cost-benefit analysis for the appointment of consultants.
- Ensure that SLA's are available for all consultants.
- Prepare a consultancy reduction plan.
- Implement checklist to monitor contractors and intervene when contractors fall behind schedule to ensure that deadlines are met (i.e.: Regular update of PROMAN)
- No action plan for maintenance backlog.

Immovable Asset Management:

- Capitalise 2015/16 costs for all infrastructures, and
- PROMAN system to be reconciled with BAS monthly. Clients should be informed of variation orders and give approval. HOD then approves and forward via Chief Financial Officer's office to obtain approval from Treasury.
- Development of a separate facilities register.

The Audit Committee met with representatives from the Office of the Auditor-General South Africa during the year to discuss issues of mutual concern to ensure that there were no unresolved issues.



C. Ogu
Chairperson of the Audit Committee
Date: 2016-08-19

PART D

HUMAN RESOURCE MANAGEMENT

HUMAN RESOURCE MANAGEMENT

1.1 Personnel related expenditure

Table 1.1.1 Personnel expenditure by programme for the period 1 April 2015 to 31 March 2016.

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	125 652	72 300	2 894	3 267	58%	379
Public Works infrastructure	178 013	36 802	-	2 280	21%	364
Transport infrastructure	1 066 517	120 029	47	240	11%	203
Community Based Programmes	92 226	11 023	-	9	12%	394
Total	1 462 408	240 154	2 941	5 796	16%	264

Table 1.1.2 Personnel costs by salary band for the period 1 April 2015 to 31 March 2016.

Salary Bands	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	5 917	2%	55	108
Skilled (Levels 3-5)	82 482	34%	522	158
Highly skilled production (Levels 6-8)	62 429	26%	196	319
Highly skilled supervision (Levels 9-12)	59 510	25%	108	551
Senior and Top Management (Levels 13-16)	29 816	12%	29	1 028
TOTAL	240 154	100%	910	264

Table 1.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2015 to 31 March 2016.

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of Personnel Cost	Amount (R'000)	Overtime as a % of Personnel Cost	Amount (R'000)	HOA as a % of Personnel Cost	Amount (R'000)	Medical aid. as a % of Personnel Cost
Administration	49 465	68%	101	0%	1 780	2%	3 534	5%
Public works	25 613	70%	0	0%	974	3%	1 927	5%
Transport infrastructure	83 678	70%	875	1%	5 497	5%	5 595	5%
Community Based Programmes	8 009	73%	0	0%	253	2%	290	3%
TOTAL	166 765	69%	976	0%	8 504	4%	11 346	5%

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Table 1.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2015 to 31 March 2016.

Salary bands	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of Personnel Cost	Amount (R'000)	Overtime as a % of Personnel Cost	Amount (R'000)	HOA as a % of Personnel Cost	Amount (R'000)	Medical aid. as a % of Personnel Cost
Lower skilled (Levels 1-2)	823	61%	59	4%	80	6%	129	10%
Skilled (Levels 3-5)	57 392	65%	749	1%	4 965	6%	5 780	7%
Highly skilled production (levels 6-8)	43 912	71%	134	0%	2 145	3%	3 525	6%
Highly skilled supervision (Levels 9-12)	43 127	73%	34	0%	775	1%	1 669	3%
Senior and Top Management (Levels 13-16)	21 511	73%	0	0%	539	2%	243	1%
TOTAL	166 765	69%	976	0%	8 504	4%	11 346	5%

1.2 Employment and Vacancies

Table 1.2.1 Employment and vacancies per programme as on 31 March 2016.

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	224	191	14.3	8
Public Works	122	101	7.3	5
Roads	699	594	6.5	30
Community Based Programme	27	29	12.1	1
Total	1072	915	8.5	44

Table 1.2.2 Employment and vacancies per salary band as on 31 March 2016.

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	10	13	40.9	0
Skilled(3-5)	707	519	7.8	1
Highly skilled production (6-8)	194	183	10.3	1
Highly skilled supervision (9-12)	134	98	6.7	1
Senior Management (13-16)	27	26	13.3	0
Total	1072	839	8.5	3

Table 1.2.3 Employment and vacancies per critical occupation as on 31 March 2016.

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Professionals	36	19	47	0
Technicians	27	21	22	0
Total	63	40	36	0

1.3 Filling of SMS Posts

Table 1.3.1 SMS post information as on 31 March 2016.

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	5	4	80	1	20
Salary Level 13	18	15	83	3	17
Total	24	20	83	4	17

Table 1.3.2 SMS post information as on 31 March 2016.

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	5	4	80	1	20
Salary Level 13	18	15	83	3	17
Total	24	20	83	4	17

Table 1.3.3 Advertising and filling of SMS posts for the period of 1 April 2015 to 31 March 2016.

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	0	0	0	0	0
Salary Level 14	5	4	80	1	20
Salary Level 13	18	15	83	3	17
Total	24	20	83	4	17

Table 1.3.4 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 2015 to 31 March 2016.

Reasons for vacancies not advertised within six months
The recruitment process had taken longer than expected with specific reference to the approval process after short listing had taken place and thereafter.

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1.4 Job Evaluation

Table 1.4.1 Job Evaluation per Salary band for the period 1 April 2015 to 31 March 2016.

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	10	0	0	0	0	0	0
Skilled (Levels 3-5)	707	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	194	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	134	0	0	0	0	0	0
Senior Management Service Band A	20	0	0	0	0	0	0
Senior Management Service Band B	5	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	1072	0	0	0	0	0	0

Table 1.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2015 and 31 March 2016

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	0
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Table 1.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2015 to 31 March 2016.

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
N/A	0	0	0	N/A
N/A	0	0	0	N/A
N/A	0	0	0	N/A
N/A	0	0	0	N/A
Total number of employees whose salaries exceeded the level determined by job evaluation				N/A
Percentage of total employed				0

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 1.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2015 to 31 March 2016.

Gender	African	Asian	Coloured	White	Total
N/A	0	0	0	0	0
Employees with a disability	0	0	0	0	0

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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1.5 Employment Changes

Table 1.5.1 Annual turnover rates by salary band for the period 1 April 2015 to 31 March 2016.

Salary band	Number of employees at beginning of period-1 April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	6	0	2	33.3
Skilled (Levels 3-5)	405	127	42	10.4
Highly skilled production (Levels 6-8)	184	0	11	6
Highly skilled supervision (Levels 9-12)	99	2	4	4
Senior Management Service Bands A	19	0	1	5.3
Senior Management Service Bands B	3	0	0	0
Senior Management Service Bands C	1	0	0	0
Senior Management Service Bands D	1	0	1	100
Contracts	84	29	6	31.3
Total	802	158	67	8.4

Table 1.5.2 Annual turnover rates by critical occupation for the period 1 April 2015 to 31 March 2016.

Critical occupation	Number of employees at beginning of period- April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Professionals	54	0	0	0
Technicians & associate professionals	94	0	1	0
TOTAL	148	0	1	0.5

Table 1.5.3 Reasons why staff left the department for the period 1 April 2015 to 31 March 2016.

Termination Type	Number	% of Total Resignations
Death	16	23.9
Resignation	15	22.4
Expiry of contract	6	9
Dismissal – operational changes	0	0
Dismissal – misconduct	2	3
Dismissal – inefficiency	0	0
Discharged due to ill-health	2	3
Retirement	26	38.8
Transfer to other Public Service Departments	0	0
Other	0	0
Total	67	100
Total number of employees who left as a % of total employment	67	8.4

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Table 1.5.4 Promotions by critical occupation for the period 1 April 2015 to 31 March 2016.

Occupation	Employees 1 April 2015	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Professionals	19	0	0	0	0
TOTAL	19	0	0	0	0

Table 1.5.5 Promotions by salary band for the period 1 April 2015 to 31 March 2016.

Salary Band	Employees 1 April 2015	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	57	0	0	23	3.8
Skilled (Levels3-5)	423	11	8.1	300	74
Highly skilled production (Levels 6-8)	191	16	8.7	130	70.6
Highly skilled supervision (Levels 9-12)	105	7	7.1	61	61.6
Senior Management (Level 13-16)	26	3	12.5	15	62.5
Total	802	37	4.6	529	73.6

1.6 Employment Equity

Table 1.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2016.

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	4	4	0	1	1	2	0	0	12
Professionals	29	11	0	2	9	6	0	5	62
Technicians and associate professionals	37	24	0	5	19	11	0	2	98
Clerks	40	21	1	4	59	34	1	5	165
Service and sales workers	1	1	0	0	0	0	0	0	2
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	20	27	0	2	6	2	0	1	58
Plant and machine operators and assemblers	25	35	0	2	1	0	0	0	63
Elementary occupations	153	216	0	0	50	36	0	0	455
Total	309	339	1	16	145	91	1	13	915
Employees with disabilities	0	0	0	0	0	0	0	0	0

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Table 1.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2016.

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	0	0	0	0	2
Senior Management	12	7	0	2	3	3	0	0	27
Professionally qualified and experienced specialists and mid-management	47	24	0	5	18	7	0	6	107
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	68	49	1	7	39	23	0	7	194
Semi-skilled and discretionary decision making	161	227	0	2	81	55	1	0	527
Unskilled and defined decision making	19	32	0	0	4	3	0	0	58
Total	309	339	1	16	145	91	1	13	915

Table 1.6.3 Recruitment for the period 1 April 2015 to 31 March 2016.

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	2	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	1	1	0	0	1	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	1	0	0	1	0	0	0	4
Semi-skilled and discretionary decision making	20	56	0	0	23	31	0	0	130
Unskilled and defined decision making	10	8	0	0	1	0	0	0	19
Total	33	68	0	0	26	31	0	0	158
Employees with disabilities	0	0	0	0	0	0	0	0	0

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Table 1.6.4 Promotions for the period 1 April 2015 to 31 March 2016.

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
<i>Top Management</i>	2	0	0	0	0	0	0	0	2
Senior Management	6	4	0	1	4	1	0	0	16
Professionally qualified and experienced specialists and mid-management	27	15	0	3	10	7	0	6	68
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	53	33	1	5	28	21	0	5	146
Semi-skilled and discretionary decision making	115	131	0	2	44	19	0	0	311
Unskilled and defined decision making	9	12	0	0	1	1	0	0	23
Total	212	195	1	11	87	49	0	11	566
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 1.6.5 Terminations for the period 1 April 2015 to 31 March 2016.

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	1	0	0	0	0	0	0	1
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	2	0	0	1	1	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6	3	0	0	0	2	0	1	12
Semi-skilled and discretionary decision making	17	19	0	0	7	1	0	0	44
Unskilled and defined decision making	1	4	0	0	0	0	0	0	5
Total	25	29	0	0	8	4	0	1	66
Employees with Disabilities	0	0	0	0	0	0	0	0	0

1.7 Signing of Performance Agreements by SMS Members

Table 1.7.1 Signing of Performance Agreements by SMS members as on 31 May 2014.

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Head of Department	1	1	1	100%
Salary Level 16	1	1	1	100%
Salary Level 15	0	0	0	0%
Salary Level 14	5	6	6	100%
Salary Level 13	18	14	12	85%
Total	25	19	20	95%

Table 1.7.2 Reasons for not having concluded Performance Agreements for all SMS members as on 31 May 2015

Reason
One senior member was suspended.

1.8 Performance Rewards

Table 1.8.1 Performance Rewards by race, gender and disability for the period 1 April 2014 to 31 March 2015.

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	147	252	58%	R 1487459.98	R 10 118.77
Female	37	86	43%	R 458 664.15	R 12 396.33
Asian					
Male	1	1	100%	R 23 442.21	R 23 442.21
Female	0	1	0%	0	0
Coloured					
Male	87	192	50%	R 264 866.00	R 3 044.43
Female	22	33	66%	R 753 489.00	
White					
Male	6	9	75%	R 162 546.99	R 27 091.00
Female	6	10	60%	R 235 782.21	R 39 297.03
Total	284	584	52%	R 3 386 250.54	R 115 389.77

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Table 1.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2014 to 31 March 2015.

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	12	26	46%	R 64 204.62	R 5 350.39	8%
Skilled (Level 3-5)	193	343	57%	R 1 292 810.24	R 6 698.50	0.51
Highly skilled production (Level 6-8)	74	141	53%	R 1 046 729.21	R 14 144.98	1.3%
Highly skilled supervision (Level 9-12)	31	74	42%	R 447 858.54	R 14 447.50	3.2%
Total	310	584	54%	R 2 851 602.61	R 40 641.37	1.5%

Table 1.8.3 Performance Rewards by critical occupation for the period 1 April 2014 to 31 March 2015.

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Production Manager Grade A & B	1	1	100%	R 4 779.00	R 4 779.00
Chief Engineers	4	5	80%	R 228 711.63	R 57 177.90
Engineers Production	3	3	100%	R 92 437.44	R 30 812.48
Total	8	9	90%	R 325 928.07	R 92 769.38

Table 1.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2014 to 31 March 2015.

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	0	0	0	0	0
Band B	1	1	100%	R 60 986.85	R 60 989.85	100%
Band C	3	5	100%	R 164 764.00	R 54 921.33	33%
Band D	8	13	61%	R135 655.00	R 16 956.87	12%
Total	12	19	63%	R 361 405.85	R 132 777.05	36%

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1.9 Leave utilisation

Table 1.9.1 Sick leave for the period 1 January 2015 to 31 December 2015.

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	49	63.2	12	2.8	4	22
Skilled (Levels 3-5)	1460	88.9	219	51.4	7	859
Highly skilled production (Levels 6-8)	949	87.2	118	27.7	8	1.065
Highly skilled supervision (Levels 9 -12)	472	84.5	66	15.5	7	940
Top and Senior management (Levels 13-16)	100	78	11	2.5	9	357
Total	3030	86.9	426	100	7	3243

Table 1.9.2 Disability leave (temporary and permanent) for the period 1 January 2015 to 31 December 2016.

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	120	100	6	42.9	20	77
Highly skilled production (Levels 6-8)	28	100	5	35.7	6	36
Highly skilled supervision (Levels 9-12)	43	100	2	14.3	22	76
Senior Management (Levels 13-16)	32	100	1	7.1	32	112
Total	223	100	14	100	16	301

Table 1.9.3 Annual Leave for the period 1 January 2015 to 31 December 2016.

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	443	36	12
Skilled Levels 3-5)	10412.84	536	19
Highly skilled production (Levels 6-8)	4585	207	22
Highly skilled supervision(Levels 9-12)	2629	111	24
Senior management (Levels 13-16)	652	26	25
Total	18721.84	916	20

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Table 1.9.4 Capped leave for the period 1 January 2015 to 31 December 2015.

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2016
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	8	2	4	36
Highly skilled production (Levels 6-8)	12	2	6	53
Highly skilled supervision(Levels 9-12)	1	1	1	43
Senior management (Levels 13-16)	18	1	18	38
Total	39	6	7	41

Table 1.9.5 Leave pay-outs for the period 1 April 2015 and 31 March 2016.

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2015/16 due to non-utilisation of leave for the previous cycle	41	2	20500
Capped leave pay-outs on termination of service for 2015/16	1,908	58	32897
Current leave pay-out on termination of service for 2015/16	155	9	17222
Total	2104	69	30493

1.10 HIV/AIDS & Health Promotion Programmes

Table 1.10.1 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
Road Workers	Voluntary testing during Wellness Days

Table 1.10.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information).

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		Chief Director: Corporate Services
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		3 employees
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		HIV/AIDS Testing, TB Testing, Eye Testing, Financial Wellness
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	
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		Health & Productivity Management Policy
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	
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	x		39 employees tested – 4 positive
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		x	

1.11 Labour Relations

Table 1.11.1 Misconduct and disciplinary hearings finalised for the period 1 April 2015 to 31 March 2016.

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	2	10
Verbal warning	0	0
Written warning	0	0
Final written warning	10	50
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	5	25
Not guilty	3	15
Case withdrawn	0	0
Total	20	100

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Disciplinary hearings finalised	20
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Table 1.11.2 Types of misconduct addressed at disciplinary hearings for the period 1 April 2015 to 31 March 2016.

Type of misconduct	Number	% of total
Abuse of Government Vehicle (Speeding)	6	30
Absenteeism	3	15
Theft /Fraud	4	20
Leaking of Information	2	10
Under the Influence of Alcohol / Violent Conduct	1	5
Sexual Harassment	1	5
False Accusations	2	10
Gross Negligence	1	5
Total	20	100

Table 1.11.3 Grievances logged for the period 1 April 2015 to 31 March 2016.

Grievances	Number	% of Total
Number of grievances resolved	8	100
Number of grievances not resolved	0	0
Total number of grievances lodged	8	100

Table 1.11.4 Disputes logged with Councils for the period 1 April 2015 to 31 March 2016.

Disputes	Number	% of Total
Number of disputes upheld	1	50%
Number of disputes dismissed	1	50%
Total number of disputes lodged	2	100%

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Table 1.11.5 Strike actions for the period 1 April 2015 to 31 March 2016.

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

Table 1.11.6 Precautionary suspensions for the period 1 April 2014 to 31 March 2015.

Number of people suspended	5
Number of people whose suspension exceeded 30 days	4
Average number of days suspended	149.2
Cost of suspension(R'000)	R 1 091 044.37

1.12. Skills Development

Table 1.12.1 Skills Development for the period 1 April 2015 to 31 March 2016.

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	12	5	0	0	5	2	0	0	24
Professionals	3	2	0	0	0	0	0	0	5
Technicians and associate professionals	52	3	0	1	5	1	0	0	62
Clerks	33	13	0	0	21	22	0	0	89
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled construction workers	59	61	0	0	18	3	0	0	141
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	15	8	0	0	0	1	0	0	24
Elementary occupations	8	2	0	0	7	1	0	0	18
Total	182	94	0	1	56	30	0	0	363
Employees with disabilities									

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Table 1.12.2 Training needs identified for the period 1 April 2015 to 31 March 2016

Occupational category	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	1	0	Construction Project Management	0	1
	Male	3	0		0	3
Professionals	Female	6	0	Bituminous Binders for roads, Project Management	Civil Diploma	6
	Male	15	0			15
Technicians and associate professionals	Female	1	0	Design and Construction, Microsoft Project	0	1
	Male	3	0		0	3
Clerks	Female	187	0	Conflict, problem solving, HRM, Computer skills, ME training, Internal auditing, PFMA, management, Public sector governance, Customer care, Office management, Budget training, Tax admin, MDP, Cash flow management, BAS training, SCM, Fleet management, OHS, LOGIS training, Communication & Marketing.	1 certificate	187
	Male	214	0	0	0	214
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled construction workers	Female	3	0	Diesel Mechanic, Carpentry, Millwright, Bricklaying	0	3
	Male	3	0	0	0	3
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	Grader Operator	0	0
	Male	32	0	0	0	32
Elementary occupations	Female	201	0	Bituminous binders for roads	0	201
	Male	271	0	0	0	271
Sub Total	Female	399	0	0	0	399
	Male	541	0	0	0	541
Total		940	0	0	0	940

1.13. Injury on Duty

Table 1.13.1 Injury on duty for the period 1 April 2015 and 31 March 2016.

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	0	0

PART E

FINANCIAL INFORMATION

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Report of the Auditor-General to the Northern Cape Provincial Legislature on Vote no. 5: Department of Roads and Public Works

Report on the financial statements

Introduction

1. I have audited the financial statements of the Department of Roads and Public Works set out on pages 88 to 174, which comprise the appropriation statement, the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Officer's responsibility for the financial statements

2. The Accounting Officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard 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, 2015 (Act No. 01 of 2015) (DORA), and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Roads and Public Works as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard prescribed by National Treasury and the requirements of the PFMA and DORA.

Emphasis of matters

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

Significant uncertainties

8. With reference to note 18 to the financial statements, the department is the defendant in claims against the department. The department is opposing these claims as it believes the claims to be invalid. The ultimate outcome of these matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Payables

9. Payables which exceed the payment term of 30 days as required in Treasury Regulation 8.2.3 amount to R475 008 000. This amount, in turn, exceeds the voted funds to be surrendered of R 1 225 000 as per the statement of financial performance by R473 783 000. The amount of R 473 783 000 would therefore have constituted unauthorised expenditure had the amounts due been paid in a timely manner.

Irregular expenditure

10. The full extent of the irregularities of R 43 383 000 as disclosed in note 24.3 to the financial statements is still in the process of being determined.

Additional matter

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

Unaudited supplementary schedules

12. The supplementary information set out on pages 160 to 174 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

13. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as

described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

14. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2016:
- Programme 2: Public Works on pages 35 to 38.
 - Programme 3: Transport Infrastructure on pages 39 to 42.
 - Programme 4: Community Based Programme on pages 43 to 45.
15. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the Nationals Treasury’s annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether the indicators and targets were well defined, verifiable, specific measureable, time bound and relevant as required by the National Treasury’s *Framework for Managing Performance Information* (FMPI).
16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 2: Public Works.
 - Programme 3: Transport Infrastructure.
 - Programme 4: Community Based Programmes.

Additional matters

18. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matters:

Achievement of planned targets

19. Refer to the annual performance report on pages 31 to 45, for information on the achievement of the planned targets for the year.

Compliance with legislation

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

Financial statements, performance and annual reports

21. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1)(a) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

22. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.

Expenditure management

23. Effective steps were not taken to prevent irregular expenditure as required by section 38(1)(c)(ii) of the PFMA and TR 9.1.1. The value of R56 272 000 as disclosed in note 24.1, of the Annual Financial Statements (AFS) is not complete as management is still busy with the exercise to quantify the full extent of the irregular expenditure.
24. Effective steps were not taken to prevent fruitless and wasteful expenditure, amounting to R1 595 000 as disclosed in note 25 of the AFS, as required by section 38(1)(c)(ii) of the PFMA and TR 9.1.1.
25. Effective internal controls were not in place for payment approval and processing, as required by TR 8.1.1.
26. Contractual obligations and money owed by the department were not settled within 30 days, as required by section 38(1)(f) of the PFMA and TR 8.2.3.

Consequence Management

27. Allegations of financial misconduct against the Accounting Officer were not investigated, as required by TR 4.1.3.

Internal control

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

Leadership

29. Leadership did not take appropriate action with regard to a lack of controls in the finance and supply chain management directorates, resulting in non-compliance with applicable legislation. This, in turn, resulted in irregular and fruitless and wasteful expenditure.

30. The material corrections that the financial statements were subjected to did not improve over the last three years. This is an indication that leadership does not sufficiently exercise their oversight responsibility over compliance with laws and regulations and internal control.

Financial and performance management

31. The financial statements were subject to material corrections, which can be attributed to weaknesses in the design and implementation of internal controls and information systems. The financial statements were not adequately reviewed.
32. The department did not have a delegated employee to review and monitor compliance with applicable laws and regulations. There are deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.

Auditor General

Auditor-General

Kimberley

31 July 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2016

Appropriation per programme									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Voted funds and Direct charges	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	131,709	-	(5,973)	125,736	125,652	84	99.9%	123,697	123,643
2. Public Works Infrastructure	170,942	-	7,082	178,024	178,013	11	100.0%	170,764	170,336
3. Transport Infrastructure	1,072,538	-	(5,909)	1,066,629	1,066,517	112	100.0%	825,699	825,691
4. Community Based Programme	88,444	-	4,800	93,244	92,226	1,018	98.9%	94,314	94,306
Subtotal	1,463,633	-	-	1,463,633	1,462,408	1,225	99.9%	1,214,474	1,213,976

NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2016

	2015/16		2014/15	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)	1,463,633	1,462,408	1,214,474	1,213,976
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	82		-	
NRF Receipts	-		-	
Aid assistance	-		-	
Actual amounts per statement of financial performance (total revenue)	1,463,715		1,214,474	
ADD				
Aid assistance				-
Prior year unauthorised expenditure approved without funding				-
Actual amounts per statement of financial performance (total expenditure)		1,462,408		1,213,976

NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS

VOTE 5

APPROPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per economic classification									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	1,270,331	(34,704)	(11,064)	1,224,563	1,223,827	736	99.9%	991,783	986,115
Compensation of employees	251,994	(9,845)	(1,909)	240,240	240,154	86	100%	220,963	220,953
Salaries and wages	217,032	(7,520)	(1,239)	208,273	208,197	76	100%	193,050	193,044
Social contributions	34,962	(2,325)	(670)	31,967	31,957	10	100%	27,913	27,909
Goods and services	1,018,337	(24,859)	(9,155)	984,323	983,673	650	99.9%	770,820	765,162
Administrative fees	786	(65)	(54)	667	665	2	99.7%	777	777
Advertising	1,466	226	-	1,692	1,691	1	99.9%	5,687	2,005
Minor assets	322	107	1	430	430	-	100%	457	455
Audit costs: External	9,604	(809)	-	8,795	8,795	-	100%	7,263	7,263
Bursaries: Employees	341	-	(247)	94	94	-	100%	118	118
Catering: Departmental activities	873	221	(19)	1,075	1,073	2	99.8%	1,755	1,754
Communication (G&S)	2,183	185	(90)	2,278	2,277	1	100%	2,183	2,179
Computer services	26,379	(248)	(68)	26,063	26,063	-	100%	17,427	17,427
Consultants: Business and advisory services	4,975	1,276	(454)	5,797	5,796	1	100%	6,204	6,204
Infrastructure and planning services	40,906	5,873	(10)	46,769	46,769	-	100%	42,471	42,471
Laboratory services	7	25	-	32	32	-	100%	6	6
Legal services	5,333	396	-	5,729	5,729	-	100%	4,630	4,629
Contractors	632,008	(95,799)	(7,108)	529,101	528,470	631	99.9%	438,840	438,836
Agency and support / outsourced services	68	150	-	218	218	-	100%	-	-
Fleet services (incl. government motor transport)	5,748	1,231	(34)	6,945	6,944	1	100%	5,358	5,356

NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2016

Appropriation per economic classification									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable supplies	99,231	(5,857)	(181)	93,193	93,190	3	100%	64,195	64,191
Consumable: Stationery, printing and office supplies	2,654	(7)	(250)	2,397	2,397	-	100%	2,151	2,148
Operating leases	125,954	69,175	-	195,129	195,127	2	100%	106,653	106,652
Property payments	28,824	(291)	-	28,533	28,533	-	100%	31,307	31,307
Transport provided: Departmental activity	-	-	-	-	-	-	-	64	64
Travel and subsistence	25,058	(417)	(611)	24,030	24,028	2	100%	28,310	26,361
Training and development	4,548	(202)	-	4,346	4,346	-	100%	3,897	3,896
Operating payments	478	(11)	(3)	464	462	2	99.6%	565	565
Venues and facilities	336	(22)	(27)	287	285	2	99.3%	406	404
Rental and hiring	255	4	-	259	259	-	100%	96	94
Transfers and subsidies	57,010	-	1,560	58,570	58,567	3	100%	56,560	56,557
Provinces and municipalities	51,578	-	-	51,578	51,578	-	100%	51,721	51,720
Municipalities	51,578	-	-	51,578	51,578	-	100%	51,721	51,720
Municipal bank accounts	51,578	-	-	51,578	51,578	-	100%	51,721	51,720
Departmental agencies and accounts	737	-	-	737	737	-	100%	703	703
Departmental agencies and accounts (Non-business entities)	737	-	-	737	737	-	100%	703	703
Households	4,695	-	1,560	6,255	6,252	3	100%	4,136	4,134
Social benefits	4,125	-	1,324	5,449	5,447	2	100%	3,142	3,141
Other transfers to households	570	-	236	806	805	1	99.9%	994	993

NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2016

Appropriation per economic classification									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	136,292	34,704	9,504	180,500	179,477	1,023	99.4%	166,131	165,703
Buildings and other fixed structures	128,432	33,527	9,570	171,529	170,519	1,010	99.4%	159,248	158,828
Buildings	1,300	1,183	7,082	9,565	9,565	-	100%	15,643	15,225
Other fixed structures	127,132	32,344	2,488	161,964	160,954	1,010	99.4%	143,605	143,603
Machinery and equipment	7,726	1,136	(66)	8,796	8,784	12	99.9%	6,865	6,857
Transport equipment	246	-	-	246	246	-	100%	236	236
Other machinery and equipment	7,480	1,136	(66)	8,550	8,538	12	99.9%	6,629	6,621
Software and other intangible assets	134	41	-	175	174	1	99.4%	18	18
Payments for financial assets	-	-	-	-	537	(537)	-	-	5,601
	1,463,633	-	-	1,463,633	1,462,408	1,225	99.9%	1,214,474	1,213,976

NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2016

Programme 1: ADMINISTRATION									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Office of the MEC	10,246	235	(1,424)	9,057	9,054	3	100.0%	9,262	9,260
2. Management of the department	15,048	38	(1,887)	13,199	13,197	2	100.0%	12,959	12,956
3. Corporate Support	101,057	(486)	(1,566)	99,005	99,928	77	99.9%	101,476	101,427
4. Departmental Strategy	5,358	213	(1,096)	4,475	4,473	2	100.0%	-	-
Total for sub programmes	131,709	-	(5,973)	125,736	125,652	84	99.9%	123,697	123,643
Economic classification									
Current payments	126,167	-	(6,126)	120,041	119,961	80	99.9%	119,454	115,751
Compensation of employees	76,455	-	(4,077)	72,378	72,300	78	99.9%	70,699	70,697
Salaries and wages	66,097	-	(3,491)	62,606	62,537	69	99.9%	61,825	61,824
Social contributions	10,358	-	(586)	9,722	9,763	9	99.9%	8,874	8,873
Goods and services	49,712	-	(2,049)	47,663	47,661	2	100.0%	48,755	45,054
Administrative fees	341	(11)	(54)	276	276	-	100.0%	397	397
Advertising	401	85	-	486	486	-	100.0%	4,369	688
Minor assets	225	56	1	282	282	-	100.0%	241	240
Audit costs: External	9,604	(809)	-	8,795	8,795	-	100.0%	7,263	7,263
Bursaries: Employees	341	-	(247)	94	94	-	100.0%	118	118
Catering: Departmental activities	628	163	(19)	772	772	-	100.0%	988	987
Communication (G&S)	839	2	(90)	751	751	-	100.0%	833	830
Computer services	4,023	(603)	(68)	3,352	3,352	-	100.0%	2,066	2,066

NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2016

Programme 1: ADMINISTRATION									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consultants: Business and advisory services	3,722	-	(454)	3,268	3,267	1	100.0%	4,402	4,402
Legal services	2,787	160	-	2,947	2,947	-	100.0%	1,763	1,762
Contractors	533	214	(12)	735	735	-	100.0%	378	375
Agency and support / outsourced services	68	150	-	218	218	-	100.0%	-	-
Fleet services (incl. government motor transport)	2,628	(1,197)	(34)	1,397	1,397	-	100.0%	1,914	1,912
Consumable supplies	1,020	(13)	(181)	826	826	-	100.0%	741	740
Consumable: Stationery, printing and office supplies	1,950	(51)	(250)	1,649	1,649	-	100.0%	1,403	1,401
Operating leases	1,071	1	-	1,072	1,072	-	100.0%	839	839
Property payments	11,810	1,470	-	13,280	13,280	-	100.0%	13,146	13,146
Transport provided: Departmental activity	-	-	-	-	-	-	-	52	52
Travel and subsistence	5,378	6	(611)	4,773	4,773	-	100.0%	5,923	5,921
Training and development	1,810	362	-	2,172	2,172	-	100.0%	1,521	1,520
Operating payments	71	21	(3)	89	88	1	98.9%	145	145
Venues and facilities	209	(8)	(27)	174	174	-	100.0%	249	247
Rental and hiring	253	2	-	255	255	-	100.0%	4	3
Transfers and subsidies	1,596	-	276	1,872	1,871	1	99.9%	1,697	1,696
Departmental agencies and accounts	737	-	-	737	737	-	100.0%	703	703
Departmental agencies (Non-business entities)	737	-	-	737	737	-	100.0%	703	703
Households	859	-	276	1,135	1,134	1	99.9%	994	993

NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2016

Programme 1: ADMINISTRATION									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Social benefits	289	-	40	329	329	-	100.0%	-	-
Other transfers to households	570	-	236	806	805	1	99.9%	994	993
Payments for capital assets	3,946	-	(123)	3,823	3,820	3	99.9%	2,546	2,545
Machinery and equipment	3,833	(29)	(123)	3,681	3,678	3	99.9%	2,546	2,545
Other machinery and equipment	3,833	(29)	(123)	3,681	3,678	3	99.9%	2,546	2,545
Software and other intangible assets	113	29	-	142	142	-	100.0%	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	3,651
	131,709	-	(5,973)	125,736	125,652	84	99.9%	123,697	123,643

NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS
VOTE 5
APPROPRIATION STATEMENT
for the year ended 31 March 2016

1.1 Office of the MEC									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	9,828	(30)	(1,424)	8,374	8,372	2	100.0%	8,789	8,788
Compensation of employees	7,481	-	(1,138)	6,343	6,342	1	100.0%	6,107	6,106
Goods and services	2,347	(30)	(286)	2,031	2,030	1	100.0%	2,682	2,682
Transfers and subsidies	240	(7)	-	233	232	1	99.6%	236	235
Households	240	(7)	-	233	232	1	99.6%	236	235
Payments for capital assets	178	272	-	450	450	-	100.0%	237	237
Machinery and equipment	178	272	-	450	450	-	100.0%	237	237
Payments for financial assets	-	-	-	-	-	-	-	-	-
	10,246	235	(1,424)	9,057	9,054	3	100.0%	9,262	9,260

1.2 Management of the Department									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	14,809	-	(1,887)	12,922	12,920	2	100.0%	12,557	12,555
Compensation of employees	9,411	-	(1,215)	8,196	8,195	1	100.0%	6,649	6,649
Goods and services	5,398	-	(672)	4,726	4,725	1	100.0%	5,908	5,906
Transfers and subsidies	-	-	-	-	-	-	-	215	215
Households	-	-	-	-	-	-	-	215	215
Payments for capital assets	239	38	-	277	277	-	100.0%	187	186

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1.2 Management of the Department									
	2015/16							2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Machinery and equipment	228	38	-	266	266	-	100.0%	187	186
Software and other intangible assets	11	-	-	11	11	-	100.0%	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
	15,048	38	(1,887)	13,199	13,197	2	100.0%	12,959	12,956

1.3 Corporate Support									
	2015/16							2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	96,225	(62)	(1,719)	94,444	94,369	75	99.9%	98,108	94,408
Compensation of employees	54,687	-	(628)	54,059	53,984	75	99.9%	57,943	57,942
Goods and services	41,538	(62)	(1,091)	40,385	40,385	-	100.0%	40,165	36,466
Transfers and subsidies	1,327	7	276	1,610	1,610	-	100.0%	1,246	1,246
Departmental agencies and accounts	737	-	-	737	737	-	100.0%	703	703
Households	590	7	276	873	873	-	100.0%	543	543
Payments for capital assets	3,505	(431)	(123)	2,951	2,949	2	99.9%	2,122	2,122
Machinery and equipment	3,403	(447)	(123)	2,833	2,831	2	99.9%	2,122	2,122
Software and other intangible assets	102	16	-	118	118	-	100.0%	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	3,651
	101,057	(486)	(1,566)	99,005	98,928	77	99.9%	101,476	101,427

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1.4 Departmental Strategy									
	2015/16							2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5,305	92	(1,096)	4,301	4,300	1	100.0%	-	-
Compensation of employees	4,876	-	(1,096)	3,780	3,779	1	100.0%	-	-
Goods and services	429	92	-	521	521	-	100.0%	-	-
Transfers and subsidies	29	-	-	29	29	-	100.0%	-	-
Households	29	-	-	29	29	-	100.0%	-	-
Payments for capital assets	24	121	-	145	144	1	99.3%	-	-
Machinery and equipment	24	108	-	132	131	1	99.2%	-	-
Software and other intangible assets	-	13	-	13	13	-	100.0%	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
	5,358	213	(1,096)	4,475	4,473	2	100.0%	-	-

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Programme 2: Public Works Infrastructure									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Programme Support	3,216	(1,083)	-	2,133	2,132	1	100.0%	3,889	3,888
2. Design	7,756	857	-	8,613	8,611	2	100.0%	6,542	6,540
3. Construction	11,249	(2,358)	-	8,891	8,890	1	100.0%	13,044	13,042
4. Maintenance	32,465	(1,047)	7,082	38,500	38,497	3	100.0%	73,524	73,522
5. Immovable Asset Management	109,791	5,380	-	115,171	115,169	2	100.0%	69,514	69,095
6. Facility Operations	6,465	(1,749)	-	4,716	4,714	2	100.0%	4,251	4,249
Total for sub programmes	170,942	-	7,082	178,024	178,013	11	100.0%	170,764	170,336
Economic classification									
Current payments	116,058	(1,989)	(84)	113,985	113,978	7	100.0%	109,039	109,032
Compensation of employees	45,935	(9,045)	(84)	36,806	36,802	4	100.0%	36,241	36,238
Salaries and wages	39,813	(8,155)	-	31,658	31,654	4	100.0%	31,296	31,295
Social contributions	6,122	(890)	(84)	5,148	5,148	-	100.0%	4,945	4,943
Goods and services	70,123	7,056	-	77,179	77,176	3	100.0%	72,798	72,794
Administrative fees	131	4	-	135	135	-	100.0%	94	94
Advertising	978	125	-	1,103	1,103	-	100.0%	916	916
Minor assets	44	71	-	115	115	-	100.0%	21	21
Catering: Departmental activities	3	37	-	40	40	-	100.0%	165	165
Communication (G&S)	718	(36)	-	682	682	-	100.0%	595	594

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Programme 2: Public Works Infrastructure									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Computer services	2,925	230	-	3,155	3,155	-	100.0%	1,964	1,964
Consultants: Business and advisory services	1,004	1,276	-	2,280	2,280	-	100.0%	984	984
Infrastructure and planning services	40,600	6,169	-	46,769	46,769	-	100.0%	42,471	42,471
Legal services	43	(1)	-	42	42	-	100.0%	586	586
Contractors	120	(107)	-	13	13	-	100.0%	306	306
Fleet services (incl. government motor transport)	423	800	-	1,223	1,222	1	99.9%	969	969
Consumable supplies	173	120	-	293	291	2	99.3%	128	128
Consumable: Stationery, printing and office supplies	295	43	-	338	338	-	100.0%	268	268
Operating leases	2,299	26	-	2,325	2,325	-	100.0%	1,653	1,653
Property payments	16,807	(1,684)	-	15,123	15,123	-	100.0%	17,479	17,479
Travel and subsistence	3,350	(24)	-	3,326	3,326	-	100.0%	3,896	3,894
Operating payments	210	1	-	211	211	-	100.0%	253	253
Venues and facilities	-	6	-	6	6	-	100.0%	48	48
Rental and hiring	-	-	-	-	-	-	100.0%	2	1
Transfers and subsidies	51,831	-	84	51,915	51,914	1	100.0%	49,316	49,316
Provinces and municipalities	51,578	-	-	51,578	51,578	-	100.0%	49,310	49,310
Municipalities	51,578	-	-	51,578	51,578	-	100.0%	49,310	49,310
Municipal bank accounts	51,578	-	-	51,578	51,578	-	100.0%	49,310	49,310
Households	253	-	84	337	336	1	99.7%	6	6
Social benefits	253	-	84	337	336	1	99.7%	6	6

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Programme 2: Public Works Infrastructure									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	3,053	1,989	7,082	12,124	12,121	3	100.0%	12,409	11,988
Buildings and other fixed structures	1,300	1,183	7,082	9,565	9,565	-	100.0%	11,105	10,687
Buildings	1,300	1,183	7,082	9,565	9,565	-	100.0%	11,105	10,687
Machinery and equipment	1,753	801	-	2,554	2,551	3	99.9%	1,286	1,283
Other machinery and equipment	1,753	801	-	2,554	2,551	3	99.9%	1,286	1,283
Software and other intangible assets	-	5	-	5	5	-	100.0%	18	18
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	170,942	-	7,082	178,024	178,013	11	100.0%	170,764	170,336

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2.1 Programme Support									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	3,178	(1,070)	-	2,108	2,107	1	100.0%	3,854	3,853
Compensation of employees	2,880	(1,021)	-	1,859	1,858	1	99.9%	3,308	3,308
Goods and services	298	(49)	-	249	249	-	100.0%	546	545
Payments for capital assets	38	(13)	-	25	25	-	100.0%	35	35
Machinery and equipment	38	(13)	-	25	25	-	100.0%	35	35
Payments for financial assets	-	-	-	-	-	-	-	-	-
	3,216	(1,083)	-	2,133	2,132	1	100.0%	3,889	3,888

2.2 Design									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	7,634	847	-	8,481	8,479	2	100.0%	6,489	6,488
Compensation of employees	6,436	408	-	6,844	6,843	1	100.0%	5,138	5,138
Goods and services	1,198	439	-	1,637	1,636	1	99.9%	1,351	1,350
Payments for capital assets	122	10	-	132	132	-	100.0%	53	52
Machinery and equipment	122	5	-	127	127	-	100.0%	53	52
Software and other intangible assets	-	5	-	5	5	-	100.0%	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
	7,756	857	-	8,613	8,611	2	100.0%	6,542	6,540

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2.3 Construction									
2015/16								2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	11,054	(2,388)	-	8,666	8,666	-	100.0%	6,680	6,678
Compensation of employees	6,513	(3,789)	-	2,724	2,724	-	100.0%	2,594	2,593
Goods and services	4,541	(1,401)	-	5,942	5,942	-	100.0%	4,086	4,085
Payments for capital assets	195	30	-	225	224	1	99.6%	6,364	6,364
Buildings and other fixed structures	-	-	-	-	-	-	-	6,105	6,105
Machinery and equipment	195	30	-	225	224	1	99.6%	241	241
Software and other intangible assets	-	-	-	-	-	-	-	18	18
Payments for financial assets	-	-	-	-	-	-	-	-	-
	11,249	(2,358)	-	8,891	8,890	1	100.0%	13,044	13,042

2.4 Maintenance									
2015/16								2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	29,572	(2,566)	(76)	26,930	26,929	1	100.0%	72,694	72,693
Compensation of employees	19,196	(2,363)	(76)	16,757	16,757	-	100.0%	16,680	16,679
Goods and services	10,376	(203)	-	10,173	10,172	1	100.0%	56,014	56,014
Transfers and subsidies	253	-	76	329	328	1	99.7%	6	6
Households	253	-	76	329	328	1	99.7%	6	6
Payments for capital assets	2,640	1,519	7,082	11,241	11,240	1	100.0%	824	823

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2.4 Maintenance									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Buildings and other fixed structures	1,300	1,183	7,082	9,565	9,565	-	100.0%	-	-
Machinery and equipment	1,340	336	-	1,676	1,675	1	99.9%	824	823
Payments for financial assets	-	-	-	-	-	-	-	-	-
	32,465	(1,047)	7,082	38,500	38,497	3	100.0%	73,524	73,522

2.5 Immovable Asset Management									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	58,172	5,029	-	63,201	63,200	1	100.0%	15,128	15,128
Compensation of employees	8,083	(1,309)	-	6,774	6,773	1	100.0%	6,655	6,655
Goods and services	50,089	6,338	-	56,427	56,427	-	100.0%	8,473	8,473
Transfers and subsidies	51,578	-	-	51,578	51,578	-	100.0%	49,310	49,310
Provinces and municipalities	51,578	-	-	51,578	51,578	-	100.0%	49,310	49,310
Payments for capital assets	41	351	-	392	391	1	99.7%	5,076	4,657
Buildings and other fixed structures	-	-	-	-	-	-	-	5,000	4,582
Machinery and equipment	41	351	-	392	391	1	99.7%	76	75
Payments for financial assets	-	-	-	-	-	-	-	-	-
	109,791	5,380	-	115,171	115,169	2	100.0%	69,514	69,095

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2.6 Facility Operations									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	6,448	(1,841)	(8)	4,599	4,597	2	100.0%	4,194	4,192
Compensation of employees	2,827	(971)	(8)	1,848	1,847	1	99.9%	1,866	1,865
Goods and services	3,621	(870)	-	2,751	2,750	1	100.0%	2,328	2,327
Transfers and subsidies	-	-	8	8	8	-	100.0%	-	-
Households	-	-	8	8	8	-	100.0%	-	-
Payments for capital assets	17	92	-	109	109	-	100.0%	57	57
Machinery and equipment	17	92	-	109	109	-	100.0%	57	57
Payments for financial assets	-	-	-	-	-	-	-	-	-
	6,465	(1,749)	-	4,716	4,714	2	100.0%	4,251	4,249

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Programme 3: Transport Infrastructure									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Programme Support Infrastructure	4,687	318	-	5,005	5,003	2	100.0%	4,197	4,195
2. Infrastructure Planning	23,418	(1,037)	-	22,381	22,380	1	100.0%	16,132	16,131
3. Infrastructure Design	4,384	26	39	4,449	4,447	2	100.0%	3,815	3,813
4. Construction	130,470	(7,982)	(77)	122,411	122,408	3	100.0%	340,120	340,117
5. Maintenance	909,579	8,675	(5,871)	912,383	912,279	104	100.0%	461,435	461,435
Total for sub programmes	1,072,538	-	(5,909)	1,066,629	1,066,517	112	100.0%	825,699	825,691
Economic classification									
Current payments	975,410	(32,715)	(7,091)	935,604	934,961	643	99.9%	709,499	707,546
Compensation of employees	117,760	-	2,270	120,030	120,029	1	100.0%	102,064	102,062
Salaries and wages	100,510	1,454	2,270	104,234	104,233	1	100.0%	88,866	88,864
Social contributions	17,250	(1,454)	-	15,796	15,796	-	100.0%	13,198	13,198
Goods and services	857,650	(32,715)	(9,361)	815,574	814,932	642	99.9%	607,435	605,484
Administrative fees	280	(53)	-	227	226	1	99.6%	251	251
Advertising	78	23	-	101	100	1	99.0%	327	326
Minor assets	53	(22)	-	31	31	-	100.0%	133	132
Catering: Departmental activities	138	15	-	153	152	1	99.3%	255	255
Communication (G&S)	603	237	-	840	839	1	99.9%	694	694
Computer services	19,431	125	-	19,556	19,556	-	100.0%	13,397	13,397

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Programme 3: Transport Infrastructure									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consultants: Business and advisory services	240	-	-	240	240	-	100.0%	85	85
Infrastructure and planning services	306	(296)	(10)	-	-	-	-	-	-
Laboratory services	7	25	-	32	32	-	100.0%	6	6
Legal services	2,503	237	-	2,740	2,740	-	100.0%	2,281	2,281
Contractors	602,383	(101,530)	(9,351)	491,502	490,871	631	99.9%	405,329	405,329
Fleet services (incl. government motor transport)	2,651	1,442	-	4,093	4,093	-	100.0%	2,268	2,268
Consumable supplies	94,196	(2,525)	-	91,671	91,670	1	100.0%	61,629	61,627
Consumable: Stationery, printing and office supplies	373	(20)	-	353	353	-	100.0%	402	401
Operating leases	122,574	69,038	-	191,612	191,610	2	100.0%	104,161	104,160
Property payments	207	(77)	-	130	130	-	100.0%	491	491
Transport provided: Departmental activity	-	-	-	-	-	-	-	12	12
Travel and subsistence	11,313	694	-	12,007	12,005	2	100.0%	15,392	13,447
Training and development	47	1	-	48	48	-	100.0%	-	-
Operating payments	197	(33)	-	164	163	1	99.4%	167	167
Venues and facilities	68	2	-	70	69	1	98.6%	70	70
Rental and hiring	2	2	-	4	4	-	100.0%	85	85
Transfers and subsidies	3,583	-	1,182	4,765	4,764	1	100.0%	3,136	3,135
Households	3,583	-	1,182	4,765	4,764	1	100.0%	3,136	3,135
Social benefits	3,583	-	1,182	4,765	4,764	1	100.0%	3,136	3,135

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Programme 3: Transport Infrastructure									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	93,545	32,715	-	126,260	126,255	5	100.0%	113,064	113,060
Buildings and other fixed structures	91,647	32,344	-	123,991	123,991	-	100.0%	110,383	110,382
Other fixed structures	91,647	32,344	-	123,991	123,991	-	100.0%	110,383	110,382
Machinery and equipment	1,877	364	-	2,241	2,237	4	99.8%	2,681	2,678
Transport equipment	246	-	-	246	246	-	100.0%	236	236
Other machinery and equipment	1,631	364	-	1,995	1,991	4	99.8%	2,445	2,442
Software and other intangible assets	21	7	-	28	27	1	96.4%	-	-
Payments for financial assets	-	-	-	-	537	(537)	-	-	1,950
Total	1,072,538	-	(5,909)	1,066,629	1,066,517	112	100.0%	825,699	825,691

3.1 Programme Support Infrastructure									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4,646	302	-	4,948	4,947	1	100.0%	4,139	4,138
Compensation of employees	1,752	242	-	1,994	1,994	-	100.0%	1,491	1,491
Goods and services	2,894	60	-	2,954	2,953	1	100.0%	2,648	2,647
Payments for capital assets	41	16	-	57	56	1	98.2%	58	57
Machinery and equipment	41	16	-	57	56	1	98.2%	58	57
Payments for financial assets	-	-	-	-	-	-	-	-	-

NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS
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for the year ended 31 March 2016

3.1 Programme Support Infrastructure									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	4,687	318	-	5,005	5,003	2	100.0%	4,197	4,195

3.2 Infrastructure Planning									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	23,404	(1,038)	-	22,366	22,366	-	100.0%	16,110	16,109
Compensation of employees	3,424	(1,229)	-	2,195	2,195	-	100.0%	2,192	2,191
Goods and services	19,980	191	-	20,171	20,171	-	100.0%	13,918	13,918
Payments for capital assets	14	1	-	15	14	1	93.3%	22	22
Machinery and equipment	14	1	-	15	14	1	93.3%	22	22
Payments for financial assets	-	-	-	-	-	-	-	-	-
	23,418	(1,037)	-	22,381	22,380	1	100.0%	16,132	16,131

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3.3 Infrastructure Design									
	2015/16							2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4,326	25	39	4,390	4,389	1	100.0%	3,767	3,766
Compensation of employees	3,332	166	49	3,547	3,546	1	100.0%	2,892	2,892
Goods and services	994	(141)	(10)	843	843	-	100.0%	875	874
Payments for capital assets	58	1	-	59	58	1	98.3%	48	47
Machinery and equipment	53	-	-	53	53	-	100.0%	48	47
Software and other intangible assets	5	1	-	6	5	1	83.3%	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
	4,384	26	39	4,449	4,447	2	100.0%	3,815	3,813

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APPROPRIATION STATEMENT
for the year ended 31 March 2016

3.4 Construction									
	2015/16							2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	38,769	(25,172)	(122)	13,475	13,473	2	100.0%	232,574	232,573
Compensation of employees	5,330	(172)	-	5,158	5,158	-	100.0%	6,647	6,646
Goods and services	33,439	(25,000)	(122)	8,317	8,315	2	100.0%	225,927	225,927
Transfers and subsidies	9	-	45	54	54	-	100.0%	10	10
Households	9	-	45	54	54	-	100.0%	10	10
Payments for capital assets	91,692	17,190	-	108,882	108,881	1	100.0%	107,536	107,534
Buildings and other fixed structures	91,647	17,179	-	108,826	108,826	-	100.0%	107,444	107,443
Machinery and equipment	45	11	-	56	55	1	98.2%	92	91
Payments for financial assets	-	-	-	-	-	-	-	-	-
	130,470	(7,982)	(77)	122,411	122,408	3	100.0%	340,120	340,117

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APPROPRIATION STATEMENT
for the year ended 31 March 2016

3.5 Maintenance									
	2015/16							2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	904,265	(6,832)	(7,008)	890,425	889,786	639	99.9%	452,909	450,960
Compensation of employees	103,922	993	2,221	107,136	107,136	-	100.0%	88,842	88,842
Goods and services	800,343	(7,825)	(9,229)	783,289	782,650	639	99.9%	364,067	362,118
Transfers and subsidies	3,574	-	1,137	4,711	4,710	1	100.0%	3,126	3,125
Households	3,574	-	1,137	4,711	4,710	1	100.0%	3,126	3,125
Payments for capital assets	1,740	15,507	-	17,247	17,246	1	100.0%	5,400	5,400
Buildings and other fixed structures	-	15,165	-	15,165	15,165	-	100.0%	2,939	2,939
Machinery and equipment	1,724	336	-	2,060	2,059	1	100.0%	2,461	2,461
Software and other intangible assets	16	6	-	22	22	-	100.0%	-	-
Payments for financial assets	-	-	-	-	537	(537)	-	-	1,950
	909,579	8,675	(5,871)	912,383	912,279	104	100.0%	461,435	461,435

NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS
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APPROPRIATION STATEMENT
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Programme 4: Community Based Programme									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Programme Support Community Based	2,248	78	-	2,326	2,325	1	100.0%	1,561	1,560
2. Community Development	73,967	2,270	4,800	81,037	80,025	1,012	98.8%	84,707	84,705
3. Innovation and Empowerment	10,016	(2,047)	-	7,969	7,966	3	100.0%	5,172	5,170
4. EPWP Coordination and Monitoring	2,213	(301)	-	1,912	1,910	2	99.9%	2,874	2,871
Total for sub programmes	88,444	-	4,800	93,244	92,226	1,018	98.9%	94,314	94,306
Economic classification									
Current payments	52,696	-	2,237	54,933	54,927	6	100.0%	53,791	53,786
Compensation of employees	11,844	(800)	(18)	11,026	11,023	3	100.0%	11,959	11,956
Salaries and wages	10,612	(819)	(18)	9,775	9,773	2	100.0%	11,063	11,061
Social contributions	1,232	19	-	1,251	1,250	1	99.9%	896	895
Goods and services	40,852	800	2,255	43,907	43,904	3	100.0%	41,832	41,830
Administrative fees	34	(5)	-	29	28	1	96.6%	35	35
Advertising	9	(7)	-	2	2	-	100.0%	75	75
Minor assets	-	2	-	2	2	-	100.0%	62	62
Catering: Departmental activities	104	6	-	110	109	1	99.1%	347	347
Communication (G&S)	23	(18)	-	5	5	-	100.0%	61	61
Consultants: Business and advisory services	9	-	-	9	9	-	100.0%	733	733

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Programme 4: Community Based Programme									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Contractors	28,972	5,624	2,255	36,851	36,851	-	100.0%	32,827	32,826
Fleet services (Incl. government motor transport)	46	186	-	232	232	-	100.0%	207	207
Consumable supplies	3,842	(3,439)	-	403	403	-	100.0%	1,697	1,696
Consumable: Stationery, printing and office supplies	36	21	-	57	57	-	100.0%	78	78
Operating leases	10	110	-	120	120	-	100.0%	-	-
Property payments	-	-	-	-	-	-	-	191	191
Travel and subsistence	5,017	(1,093)	-	3,924	3,924	-	100.0%	3,099	3,099
Training and development	2,691	(565)	-	2,126	2,126	-	100.0%	2,367	2,367
Venues and facilities	59	(22)	-	37	36	1	97.3%	39	39
Rental and hiring	-	-	-	-	-	-	-	5	5
	-	-	18	18	18	-	100.0%	2,411	2,410
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	2,411	2,410
Municipalities	-	-	-	-	-	-	-	2,411	2,410
Municipal bank accounts	-	-	-	-	-	-	-	2,411	2,410
Households	-	-	18	18	18	-	100.0%	-	-
Social benefits	-	-	18	18	18	-	100.0%	-	-
Payments for capital assets	35,748	-	2,545	38,293	37,281	1,012	97.4%	38,112	38,110

NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS
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APPROPRIATION STATEMENT
for the year ended 31 March 2016

Programme 4: Community Based Programme									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Buildings and other fixed structures	35,485	-	2,488	37,973	36,963	1,010	97.3%	37,760	37,759
Buildings	-	-	-	-	-	-	-	4,538	4,538
Other fixed structures	35,485	-	2,488	37,973	36,963	1,010	97.3%	33,222	33,221
Machinery and equipment	263	-	57	320	318	2	99.4%	352	351
Other machinery and equipment	263	-	57	320	318	2	99.4%	352	351
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	88,444	-	4,800	93,244	92,226	1,018	98.9%	94,314	94,306

4.1 Programme Support Community Based									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2,220	84	-	2,304	2,303	1	100.0%	1,552	1,551
Compensation of employees	2,018	77	-	2,095	2,094	1	100.0%	1,293	1,292
Goods and services	202	7	-	209	209	-	100.0%	259	259
Payments for capital assets	28	(6)	-	22	22	-	100.0%	9	9
Machinery and equipment	28	(6)	-	22	22	-	100.0%	9	9
Payments for financial assets	-	-	-	-	-	-	-	-	-
	2,248	78	-	2,326	2,325	1	100.0%	1,561	1,560

NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS
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APPROPRIATION STATEMENT
for the year ended 31 March 2016

4.2 Community Development									
	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	38,463	2,113	2,237	42,813	42,812	1	100.0%	44,433	44,433
Compensation of employees	7,052	(520)	(18)	6,514	6,514	-	100.0%	8,336	8,336
Goods and services	31,411	2,633	2,255	36,299	36,298	1	100.0%	36,097	36,097
	-	-	18	18	18	-	100.0%	2,411	2,410
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	2,411	2,410
Households	-	-	18	18	18	-	100.0%	-	-
Payments for capital assets	35,504	157	2,545	38,206	37,195	1,011	97.4%	37,863	37,862
Buildings and other fixed structures	35,485	-	2,488	37,973	36,963	1,010	97.3%	37,760	37,759
Machinery and equipment	19	157	57	233	232	1	99.6%	103	103
Payments for financial assets	-	-	-	-	-	-	-	-	-
	73,967	2,270	4,800	81,037	80,025	1,012	98.8%	84,707	84,705

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APPROPRIATION STATEMENT
for the year ended 31 March 2016

4.3 Innovation and Empowerment									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	9,802	(1,889)	-	7,913	7,911	2	100.0%	4,950	4,949
Compensation of employees	1,058	(229)	-	829	828	1	99.9%	641	640
Goods and services	8,744	(1,660)	-	7,084	7,083	1	100.0%	4,309	4,309
Payments for capital assets	214	(158)	-	56	55	1	98.2%	222	221
Machinery and equipment	214	(158)	-	56	55	1	98.2%	222	221
Payments for financial assets	-	-	-	-	-	-	-	-	-
	10,016	(2,047)	-	7,969	7,966	3	100.0%	5,172	5,170

4.4 EPWP Coordination and Monitoring									
2015/16								2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2,211	(308)	-	1,903	1,901	2	99.9%	2,856	2,853
Compensation of employees	1,716	(128)	-	1,588	1,587	1	99.7%	1,689	1,688
Goods and services	495	(180)	-	315	314	1	99.7%	1,167	1,165
Payments for capital assets	2	7	-	9	9	-	100.0%	18	18
Machinery and equipment	2	7	-	9	9	-	100.0%	18	18
Payments for financial assets	-	-	-	-	-	-	-	-	-
	2,213	(301)	-	1,912	1,910	2	99.9%	2,874	2,871

NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS

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NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2016

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):

4.1 Per programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
Programme 4: Community Based Programme	93,244	92,226	1,018	1%
4.2 Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
Current payments				
Compensation of employees	11,026	11,023	3	0%
Goods and services	43,907	43,904	3	0%
Payments for capital assets				
Buildings and other fixed structures	37,973	36,963	1,010	3%
Machinery and equipment	320	318	2	1%

The EPWP incentive grant was not fully funded by Department of Public Works due to slow progress on the project.

NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS

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STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2016

	<i>Note</i>	2015/16 R'000	2014/15 R'000
REVENUE			
Annual appropriation	<u>1</u>	1,463,633	1,214,474
Departmental revenue	<u>2</u>	82	-
TOTAL REVENUE		1,463,715	1,214,474
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>4</u>	240,154	220,953
Goods and services	<u>5</u>	983,673	765,162
Total current expenditure		1,223,827	986,115
Transfers and subsidies			
Transfers and subsidies	<u>7</u>	58,567	56,557
Total transfers and subsidies		58,567	56,557
Expenditure for capital assets			
Tangible assets	<u>8</u>	179,303	165,685
Intangible assets	<u>8</u>	174	18
Total expenditure for capital assets		179,477	165,703
Payments for financial assets	<u>6</u>	537	5,601
TOTAL EXPENDITURE		1,462,408	1,213,976
SURPLUS FOR THE YEAR		1,307	498
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		1,225	498
Annual appropriation		1,225	498
Departmental revenue and NRF Receipts	<u>13</u>	82	-
SURPLUS FOR THE YEAR		1,307	498

NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS

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STATEMENT OF FINANCIAL POSITION

as at 31 March 2016

	<i>Note</i>	2015/16 R'000	2014/15 R'000
ASSETS			
Current assets		31,348	33,419
Unauthorised expenditure	<u>9</u>	26,891	26,891
Cash and cash equivalents	<u>10</u>	1,490	3,957
Receivables	<u>11</u>	2,967	2,571
Non-current assets		5,006	3,099
Receivables	<u>11</u>	5,006	3,099
TOTAL ASSETS		36,354	36,518
LIABILITIES			
Current liabilities		2,527	891
Voted funds to be surrendered to the Revenue Fund	<u>12</u>	216	499
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>13</u>	268	388
Payables	<u>14</u>	2,043	4
Non-current liabilities			
Payables	<u>15</u>	33,827	35,627
TOTAL LIABILITIES		36,354	36,518
NET ASSETS		-	-

NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS

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CASH FLOW STATEMENT

for the year ended 31 March 2016

	<i>Note</i>	2015/16 R'000	2014/15 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,466,770	1,219,165
Annual appropriated funds received	<u>1.1</u>	1,462,624	1,214,474
Departmental revenue received	<u>2</u>	4,146	4,691
Net (increase)/decrease in working capital		(264)	(437)
Surrendered to Revenue Fund		(4,765)	(25,292)
Surrendered to RDP Fund/Donor		-	4,298
Current payments		(1,223,827)	(986,115)
Payments for financial assets		(537)	(5,601)
Transfers and subsidies paid		(58,567)	(56,557)
Net cash flow available from operating activities	<u>16</u>	178,810	149,461
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>8</u>	(179,477)	(165,703)
Net cash flows from investing activities		(179,477)	(165,703)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in non-current payables		(1,800)	-
Net cash flows from financing activities		(1,800)	-
Net increase/(decrease) in cash and cash equivalents		(2,467)	(16,242)
Cash and cash equivalents at beginning of period		3,957	20,199
Cash and cash equivalents at end of period	<u>17</u>	1,490	3,957

NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS

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ACCOUNTING POLICIES

for the year ended 31 March 2016

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

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

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	Comparative information
6.1	Prior period comparative information Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS
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ACCOUNTING POLICIES
for the year ended 31 March 2016

7	Revenue
7.1	<p>Appropriated funds</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 recognised as a payable / receivable in the statement of financial position.</p>
7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>

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8.3	<p>Accrued expenditure payable</p> <p>Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department. Accrued expenditure payable is measured at cost.</p>
8.4	<p>Leases</p>
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	<p>Aid Assistance</p>
9.1	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
9.2	<p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p>

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	There were no Prepayments and advances
12	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	Financial assets
14.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
14.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables</p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>
16	Capital Assets
16.1	<p>Immovable capital assets</p> <p>Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.</p>

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<p>16.2</p>	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
<p>16.3</p>	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
<p>17</p>	<p>Provisions and Contingents</p>
<p>17.1</p>	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
<p>17.2</p>	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>

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17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
17.4	<p>Commitments</p> <p>Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by the Provincial Legislature with funding and the related funds are received; or • approved by the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
21	<p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are affected 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</p>

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	retrospective restatement is practicable. <i>There were no Changes in accounting estimates.</i>
22	Events after the reporting date 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. <i>There were no Events after the reporting date.</i>
23	Principal-Agent arrangements The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. 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. <i>There were no Agent-Principle arrangements.</i>
24	Departures from the MCS requirements The financial statements present fairly the department's primary and secondary information; the department has not departed from a particular requirement to achieve fair presentation.
25	Capitalisation reserve The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.
26	Recoverable revenue Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
27	Related party transactions 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. 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.
28	Inventories (Effective from 1 April 2017) At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value.

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29	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
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1. Annual Appropriation

1.1 Annual Appropriation

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

	2015/16			2014/15	
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	125,736	125,736	-	123,697	123,697
Public Works Infrastructure	178,024	178,024	-	170,764	170,764
Transport Infrastructure	1,066,629	1,066,629	-	825,699	825,699
Community Based Programme	93,244	92,235	1,009	94,314	94,314
Total	1,463,633	1,462,624	1,009	1,214,474	1,214,474

The funds not received by the Department, was not disbursed by National Treasury.

1.2 Conditional grants

	Note	2015/16 R'000	2014/15 R'000
Total grants received	31	824,914	643,436
Provincial grants included in Total Grants received		-	-

2. Departmental revenue

	Note	2015/16 R'000	2014/15 R'000
Sales of goods and services other than capital assets	2.1	3,330	3,898
Transactions in financial assets and liabilities	2.2	816	793
Total revenue collected		4,146	4,691
Less: Own revenue included in appropriation	13	(4,064)	(5,469)
Departmental revenue collected		82	-

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2.1 Sales of goods and services other than capital assets

	<i>Note</i> 2	2015/16 R'000	2014/15 R'000
Sales of goods and services produced by the department		3,311	3,898
Sales by market establishment		2,553	3,187
Other sales		758	711
Sales of scrap, waste and other used current goods		19	-
Total		3,330	3,898

2.2 Transactions in financial assets and liabilities

	<i>Note</i> 2	2015/16 R'000	2014/15 R'000
Receivables		816	793
Total		816	793

3. Aid assistance

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Opening Balance		-	(4,298)
As restated		-	(4,298)
Written off		-	4,298
Closing Balance		-	-

4. Compensation of employees

4.1 Salaries and Wages

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Basic salary		166,008	150,625
Performance award		4,427	3,334
Service Based		188	273
Compensative/circumstantial		2,666	2,741
Periodic payments		757	4,025
Other non-pensionable allowances		34,151	32,046
Total		208,197	193,044

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4.2 Social contributions

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Employer contributions			
Pension		20,549	18,232
Medical		11,345	9,621
Bargaining council		63	56
Total		31,957	27,909
Total compensation of employees			
		240,154	220,953
Average number of employees		889	836

5. Goods and services

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Administrative fees		665	777
Advertising		1,692	2,005
Minor assets	5.1	430	455
Bursaries (employees)		94	118
Catering		1,074	1,754
Communication		2,277	2,179
Computer services	5.2	26,062	17,427
Consultants: Business and advisory services		5,796	6,204
Infrastructure and planning services		46,768	42,471
Laboratory services		32	6
Legal services		5,728	4,629
Contractors		528,470	438,836
Agency and support / outsourced services		218	-
Audit cost – external	5.3	8,796	7,263
Fleet services		6,944	5,356
Consumables	5.4	95,587	66,339
Operating leases		195,127	106,652
Property payments	5.5	28,533	31,307
Rental and hiring		259	94
Transport provided as part of the departmental activities		-	64
Travel and subsistence	5.6	24,027	26,361
Venues and facilities		285	404
Training and development		4,346	3,896
Other operating expenditure	5.7	463	565
Total		983,673	765,162

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5.1 Minor assets

	Note 5	2015/16 R'000	2014/15 R'000
Tangible assets		339	313
Machinery and equipment		339	313
Intangible assets		91	142
Software		91	142
Total		430	455

5.2 Computer services

	Note 5	2015/16 R'000	2014/15 R'000
		3,175	2,054
SITA (a multinational information technology company) Computer Services			
External computer service providers		22,887	15,373
Total		26,062	17,427

5.3 Audit cost – External

	Note 5	2015/16 R'000	2014/15 R'000
Regularity audits		8,796	7,263
Total		8,796	7,263

5.4 Consumables

	Note 5	2015/16 R'000	2014/15 R'000
Consumable supplies		93,190	64,191
Uniform and clothing		3,674	3,455
Household supplies		599	411
Building material and supplies		87,729	58,189
IT consumables		271	157
Other consumables		917	1,979
Stationery, printing and office supplies		2,397	2,148
Total		95,587	66,339

5.5 Property payments

	Note 5	2015/16 R'000	2014/15 R'000
Municipal services		5,723	5,485
Property maintenance and repairs		7,050	10,518
Other		15,760	15,304
Total		28,533	31,307

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5.6 Travel and subsistence

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Local	5	23,948	26,075
Foreign		79	286
Total		<u>24,027</u>	<u>26,361</u>

5.7 Other operating expenditure

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Professional bodies, membership and subscription fees	5	37	99
Other		426	466
Total		<u>463</u>	<u>565</u>

6. Payments for financial assets

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Debts written off	6.1	537	5,601
Total		<u>537</u>	<u>5,601</u>

6.1 Debts written off

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Nature of debts written off			
Other debt written off		-	-
Salary debtors		-	225
National Claims recoverable		-	4,327
Salary disallowance		-	97
Damage and losses		-	310
Dishonoured cheques		-	27
Provincial claims recoverable		537	615
Total debt written off		<u>537</u>	<u>5,601</u>

7. Transfers and subsidies

		2015/16	2014/15
		R'000	R'000
Provinces and municipalities	<i>Note</i> 32	51,578	51,720
Departmental agencies and accounts	<i>Annex 1B</i>	737	703
Households	<i>Annex 1G</i>	6,252	4,143
Total		<u>58,567</u>	<u>56,557</u>

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8. Expenditure for capital assets

	Note	2015/16 R'000	2014/15 R'000
Tangible assets		179,303	165,685
Buildings and other fixed structures	30	170,519	158,828
Machinery and equipment	28	8,784	6,857
Intangible assets		174	18
Software	29	174	18
Total		179,477	165,703
The following amounts have been included as project costs in Expenditure for capital assets			
Compensation of employees		7,500	9,911
Goods and services		35,115	15,978
Total		42,615	25,889

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	179,303	-	179,303
Buildings and other fixed structures	170,519	-	170,519
Machinery and equipment	8,784	-	8,784
Intangible assets	174	-	174
Software	174	-	174
Total	179,477	-	179,477

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	165,685	-	165,685
Buildings and other fixed structures	158,828	-	158,828
Machinery and equipment	6,857	-	6,857
Intangible assets	18	-	18
Software	18	-	18
Total	165,703	-	165,703

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8.3	Finance lease expenditure included in Expenditure for capital assets	<i>Note</i>	2015/16 R'000	2014/15 R'000
	Tangible assets			
	Machinery and equipment		6,571	4,698
	Total		6,571	4,698
9.	Unauthorised expenditure			
9.1	Reconciliation of unauthorised expenditure	<i>Note</i>	2015/16 R'000	2014/15 R'000
	Opening balance		26,891	26,891
	Prior period error		-	-
	As restated		26,891	26,891
	Closing balance		26,891	26,891
9.2	Analysis of unauthorised expenditure awaiting authorisation per economic classification		2015/16 R'000	2014/15 R'000
	Capital		26,981	26,981
	Total		26,981	26,981
9.3	Analysis of unauthorised expenditure awaiting authorisation per type		2015/16 R'000	2014/15 R'000
	Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division		26,891	26,891
	Total		26,891	26,891
10.	Cash and cash equivalents	<i>Note</i>	2015/16 R'000	2014/15 R'000
	Consolidated Paymaster General Account		1,490	3,957
	Total		1,490	3,957

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11. Receivables

		2015/16			2014/15		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	Note 11.1	1,689	3,528	5,217	1,835	1,484	3,319
Recoverable expenditure	11.2	899	1,101	2,000	560	619	1,179
Staff debt	11.3	379	377	756	176	292	468
Other debtors	11.4	-	-	-	-	704	704
Total		2,967	5,006	7,973	2,571	3,099	5,670

11.1 Claims recoverable

	Note	2015/16	2014/15
	11 and Annex 4	R'000	R'000
Provincial departments		5,217	3,319
Total		5,217	3,319

11.2 Recoverable expenditure (disallowance accounts)

	Note	2015/16	2014/15
	11	R'000	R'000
Disallowance Damages and Losses		137	137
Disallowance Dishonoured Cheques		2	2
Disallowance Miscellaneous		1,695	960
Salary Income Tax		131	74
Salary Disallowance Account		3	3
Salary Medical Aid		14	1
Salary Pension Fund		17	2
Pension recoverable		1	-
Total		2,000	1,179

11.3 Staff debt

	Note	2015/16	2014/15
	11	R'000	R'000
Debt Account		680	419
Salary Income Tax		8	31
Salary Reversal Control		68	18
Total		756	468

11.4 Other debtors

	Note	2015/16	2014/15
	11	R'000	R'000
Claims Recoverable Provincial Department		-	704
Total		-	704

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12. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Opening balance		499	20,580
Transfer from statement of financial performance (as restated)		1,225	498
Voted funds not requested/not received	1.1	(1,009)	-
Paid during the year		(499)	(20,579)
Closing balance		216	499

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

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Opening balance		388	410
Transfer from Statement of Financial Performance		82	-
Own revenue included in appropriation		4,064	4,691
Paid during the year		(4,266)	(4,713)
Closing balance		268	388

14. Payables – current

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Other payables	14.1	2,043	4
Total		2,043	4

14.1 Other payables

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Description	14		
Claims Recoverable Provincial Departments		2,001	-
Disallowance Miscellaneous		2	3
Sal: ACB Recalls		37	1
Finance other institution		3	-
Total		2,043	4

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15. Payables – non-current

	Note	2015/16			R'000 Total	2014/15
		R'000 One to two years	R'000 Two to three years	R'000 More than three years		R'000 Total
Amounts owing to other entities		-	-	32,872	32,872	33,737
Other payables	15.1	3	38	914	955	1,890
Total		3	38	33,786	33,827	35,627

15.1 Other payables

	Note	2015/16	2014/15
	15	R'000	R'000
Description			
Claims Recoverable Provincial Departments		-	938
Rental and tender deposits		370	370
Disallowance Miscellaneous		585	582
Total		955	1,890

16. Net cash flow available from operating activities

	Note	2015/16	2014/15
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		1,307	498
Add back non cash/cash movements not deemed operating activities		177,503	148,963
(Increase)/decrease in receivables – current		(2,303)	(1,109)
Increase/(decrease) in payables – current		2,039	672
Expenditure on capital assets		179,477	165,703
Surrenders to Revenue Fund		(4,765)	(25,292)
Voted funds not requested/not received		(1,009)	-
Own revenue included in appropriation		4,064	4,691
Other non-cash items		-	4,298
Net cash flow generated by operating activities		178,810	149,461

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

	Note	2015/16	2014/15
		R'000	R'000
Consolidated Paymaster General account		1,490	3,957
Total		1,490	3,957

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18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

Liable to	Nature	<i>Note</i>	2015/16 R'000	2014/15 R'000
Housing loan guarantees	Employees	<i>Annex 3A</i>	-	24
Claims against the department		<i>Annex 3B</i>	156,718	145,868
Intergovernmental payables (unconfirmed balances)		<i>Annex 5</i>	3,044	659
Total			159,762	146,551

Most of the amounts are certain as the claimants provide documentary proof of the claim such as a quote received from the panel beater or mechanic which the insurance had paid. In most cases the mechanic has provided an affidavit as to how the damage occurred and the amount that is cost to repair the damage.

In relation to the timing of the outflow, the difficulty comes when after the submission for approval to settle has been signed by the Accounting Officer the submission is sent to finance to capture, prepare the disbursement and submit to Treasury for payment. It can take up to 30 days after the submission was approved for the amount to be paid.

In relation to the claims for damages by members of the public there is no possibility of reimbursement as the monies is paid out of the budget of the directorate responsible for the roads.

19. Commitments

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Current expenditure			
Approved and contracted		436,116	211,452
Approved but not yet contracted		-	24
		436,116	211,476
Capital expenditure			
Approved and contracted		63,931	123,125
Approved but not yet contracted		-	-
		63,931	123,125
Total Commitments		500,047	334,601

Contract for cleaning is for a longer period than one year.

A contract for the upgrading and surfacing of the existing gravel roads, reseal and fogspray of surface roads, flood damage repairs and plant hire will be completed in a period longer than one year.

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20. Accruals and payables not recognised

20.1 Accruals

	2015/16 R'000			2014/15 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	31,079	206	31,285	246,364
Transfers and subsidies	3,325	102	3,427	281,016
Capital assets	-	-	-	8,127
Total	34,404	308	34,712	535,507

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Listed by programme level			
Administration		4,907	7,041
Public Works Infrastructure		3,469	295,120
Transport Infrastructure		24,850	231,112
Community Based Programme		1,486	2,234
Total		34,712	535,507

20.2 Payables not recognised

	2015/16 R'000			2014/15 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	23,289	121,448	144,737	-
Transfers and subsidies	355	353,252	353,607	-
Capital assets	-	-	-	-
Total	23,644	474,700	498,344	-

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Listed by programme level			
Administration		2,646	-
Public Works Infrastructure		359,020	-
Transport Infrastructure		132,442	-
Community Based Programme		4,236	-
Total		498,344	-

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Included in the above totals are the following:			
Confirmed balances with other departments	<i>Annex 5</i>	-	146
Confirmed balances with other government entities	<i>Annex 5</i>	32,872	33,738
Total		32,872	33,884

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The accruals and payables not recognised were previously combined and have been split into sub notes as from the current year

Included in the accruals and payables not recognised are rates and taxes claimed by local municipalities and also amounts due to NCFMTE

21. Employee benefits

	Note	2015/16 R'000	2014/15 R'000
Leave entitlement		10,844	10,255
Service bonus (Thirteenth cheque)		6,934	5,993
Performance awards		3,778	3,487
Capped leave commitments		11,083	11,785
Other		461	410
Total		33,100	31,930

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

Negative leave balances for 69 officials amounting to R332,452.01 are not included in the leave entitlement amount disclosed for the current financial year.

22. Lease commitments

22.1 Operating leases expenditure

2015/16	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	2,362	120,000	122,362
Later than 1 year and not later than 5 years	-	-	3,215	-	3,125
Later than five years	-	-	-	-	-
Total lease commitments	-	-	5,577	120,000	125,577

2014/15	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	2,190	120,000	122,190
Later than 1 year and not later than 5 years	-	-	5,578	-	5,578
Later than five years	-	-	-	-	-
Total lease commitments	-	-	7,768	120,000	127,768

The Department is leasing building for office space located in Kimberley and De Aar well as yellow fleet.

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22.2 Finance leases expenditure

2015/16	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	2,404	2,404
Later than 1 year and not later than 5 years	-	-	-	1,587	1,587
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	3,991	3,991

2014/15	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	4,987	4,987
Later than 1 year and not later than 5 years	-	-	-	1,863	1,863
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	6,850	6,850

The Department is leasing white fleet from the NC Fleet Entity and also photocopiers, cellphones and modems from external service providers

22.3 Operating lease revenue

2015/16	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	90	-	90
Later than 1 year and not later than 5 years	-	-	189	-	189
Later than five years	-	-	-	-	-
Total operating lease revenue receivable	-	-	279	-	279

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2014/15	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	91	-	91
Later than 1 year and not later than 5 years	-	-	289	-	289
Later than five years	-	-	-	-	-
Total operating lease revenue receivable	-	-	380	-	380

The Department is leasing buildings to tenants for official purposes

23. Accrued departmental revenue

	Note	2015/16 R'000	2014/15 R'000
Sales of goods and services other than capital assets		3,336	2,841
Total		3,336	2,841

23.1 Analysis of accrued departmental revenue

	Note	2015/16 R'000	2014/15 R'000
Opening balance		2,841	2,058
Less: amounts received		2,434	2,016
Add: amounts recognised		2,929	2,799
Closing balance		3,336	2,841

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	Note	2015/16 R'000	2014/15 R'000
Opening balance		655,677	625,210
Prior period error		-	-
As restated		655,677	625,210
Add: Irregular expenditure – relating to prior year		5,625	
Add: Irregular expenditure – relating to current year		56,272	30,467
Closing balance		717,574	655,677

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Analysis of awaiting condonation per age classification

Current year	56,272	30,467
Prior years	661,302	625,210
Total	717,574	655,677

24.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2015/16 R'000
Inadequate Procurement:		
Insufficient Number of Quotations	Under investigation	11,595
No Original Tax Clearance Certificate	Under investigation	13,210
Deficient tender procedures	Under investigation	12,905
Tender Advertising	Under investigation	15,184
Delegated Authority Exceeded	Under investigation	3,378
Total		56,272

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

Incident	2015/16 R'000
Inadequate Procurement:	
Insufficient Number of Quotations	10,584
No Original Tax Clearance Certificate	832
Cost Containment	84
Deficient tender procedures	17,580
No Points system	605
Tender Advertising	12,917
Various SCM Procedures	782
Total	43,383

Further instances of Irregular Expenditure that might have resulted from non-compliance with the supply chain management processes are under investigation to determine the full extent of the amount.

25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2015/16 R'000	2014/15 R'000
Opening balance		5,063	795
Prior period error		-	-
As restated		5,063	795
Fruitless and wasteful expenditure – relating to current year		1,595	4,268
Closing balance		6,658	5,063

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25.2	Analysis of awaiting resolution per economic classification		2015/16	2014/15
			R'000	R'000
	Current		<u>1,595</u>	<u>4,268</u>
	Total		<u>1,595</u>	<u>4,268</u>
25.3	Analysis of Current year's fruitless and wasteful expenditure			
	Incident	Disciplinary steps taken/criminal proceedings		2015/16
				R'000
	Overpayment to supplier	None		<u>1,595</u>
	Total			<u>1,595</u>
25.4	Details of fruitless and wasteful expenditures under investigation (not included in the main note)			
	Incident			2015/16
				R'000
	Limit exceeded			5
	No show costs			<u>7</u>
	Total			<u>12</u>
26.	Related party transactions			
	Revenue received	<i>Note</i>	2015/16	2014/15
			R'000	R'000
	Sales of goods and services other than capital assets		<u>9,950</u>	<u>9,859</u>
	Total		<u>9,950</u>	<u>9,859</u>
	Payments made	<i>Note</i>	2015/16	2014/15
			R'000	R'000
	Goods and services		1,095	3,631
	Expenditure for capital assets		<u>-</u>	<u>9,063</u>
	Total		<u>1,095</u>	<u>12,694</u>
	Year end balances arising from revenue/payments	<i>Note</i>	2015/16	2014/15
			R'000	R'000
	Payables to related parties		<u>32,872</u>	<u>33,738</u>
	Total		<u>32,872</u>	<u>33,738</u>

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	<i>Note</i>	2015/16 R'000
In kind goods and services provided/received		
The following client departments within government sphere occupies facilities @ R0:		
1. NC Department of Agriculture and Land Reform	-	-
2. NC Department of COGHSTA	-	-
3. NC Department of Education	-	-
4. NC Department of Health	-	-
5. NC Department of Legislature	-	-
6. NC Department of Transport, Safety and Liaison	-	-
7. NC Department of Social Development	-	-
8. NC Department of Sports, Arts and Culture	-	-
9. NC Department of Economic Development and Tourism	-	-
10. NC Department of Environment and Nature Conservation	-	-
11. NC Office of the Premier	-	-
12. NC Provincial Treasury	-	-
13. NC Fleet Management Trading Entity	-	-
Total		-

27. Key management personnel

	No. of Individuals	2015/16 R'000	2014/15 R'000
Political office bearers	2	1,917	1,822
Officials:			
Level 15 to 16	1	1,563	1,322
Level 14 (incl. CFO if at a lower level)	6	6,426	5,510
Level 13 (Acting Chief Director)	1	702	-
Total		10,608	8,654

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28. Movable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	17,650	-	2,475	550	19,575
Transport assets	936	-	-	-	936
Computer equipment	7,322	-	625	501	7,446
Furniture and office equipment	4,056	-	1,103	34	5,125
Other machinery and equipment	5,336	-	747	15	6,068
Capital Work-in-progress <i>(Effective 1 April 2016)</i>	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	17,650	-	2,475	550	19,575

28.1 Additions

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

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
MACHINERY AND EQUIPMENT	8,786	36	(6,571)	224	2,475
Transport assets	6,571	-	(6,571)	-	-
Computer equipment	598	27	-	-	625
Furniture and office equipment	1,111	(8)	-	-	1,103
Other machinery and equipment	506	17	-	224	747
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	8,786	36	(6,571)	224	2,475

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28.2 Disposals

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

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual R'000
	R'000	R'000	R'000	
MACHINERY AND EQUIPMENT	527	23	550	-
Computer equipment	501	-	501	-
Furniture and office equipment	11	23	34	-
Other machinery and equipment	15	-	15	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	527	23	550	-

28.3 Movement for 2014/15

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	15,052	(41)	3,095	456	17,650
Transport assets	936	-	-	-	936
Computer equipment	7,035	(14)	301	-	7,322
Furniture and office equipment	3,749	(20)	327	-	4,056
Other machinery and equipment	3,332	(7)	2,467	456	5,336
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	15,052	(41)	3,095	456	17,650

28.3.1 Prior period error

	<i>Note</i>	2014/15 R'000
Nature of prior period error		(41)
Relating to 2014/15 <i>[affecting the opening balance]</i>		(41)
Asset amounts duplicated		(16)
Capital assets incorrectly classified as minor assets		(29)
Asset cost obtained resulting in change in classification and rounding in PY		4
Total prior period errors		(41)

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28.4 Minor assets

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	2,314	-	5,921	-	8,235
Additions	-	101	-	328	-	429
Disposals	-	-	-	176	-	176
TOTAL MINOR ASSETS	-	2,415	-	6,073	-	8,488

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	4,850	-	4,850
Number of minor assets at cost	-	563	-	3,426	-	3,989
TOTAL NUMBER OF MINOR ASSETS	-	563	-	8,276	-	8,839

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	2,125	-	5,537	-	7,662
Prior period error	-	50	-	-	-	50
Additions	-	139	-	384	-	523
Disposals	-	-	-	-	-	-
TOTAL MINOR ASSETS	-	2,314	-	5,921	-	8,235

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	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	3,156	-	3,156
Number of minor assets at cost	-	941	-	2,536	-	3,477
TOTAL NUMBER OF MINOR ASSETS	-	941	-	5,692	-	6,633

28.4.1 Prior period error

	<i>Note</i>	2014/15 R'000
Nature of prior period error		
Relating to 2014/15 <i>[affecting the opening balance]</i>		50
Asset amounts duplicated		(32)
Asset cost obtained resulting in change in classification		(2)
Capital assets incorrectly classified as minor assets		84
Total prior period errors		50

29. Intangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	1,426	-	173	-	1,599
TOTAL INTANGIBLE CAPITAL ASSETS	1,426	-	173	-	1,599

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29.1 Additions

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

	Cash	Non-Cash	(Develop- ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	173	-	-	-	173
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	173	-	-	-	173

29.2 Movement for 2014/15

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	1,463	(55)	18	-	1,426
TOTAL INTANGIBLE CAPITAL ASSETS	1,463	(55)	18	-	1,426

29.2.1 Prior period error

	<i>Note</i>	2014/15 R'000
Nature of prior period error		
Relating to 2014/15 <i>[affecting the opening balance]</i>		(55)
Capital assets incorrectly classified as minor assets		(55)
Total prior period errors		<u>(55)</u>

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30. Immovable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	37,726,886	-	902,812	-	38,629,698
Dwellings	58,030	-	-	-	58,030
Non-residential buildings	2,961,202	-	432,679	-	3,393,881
Other fixed structures	34,707,654	-	470,133	-	35,177,787
Capital					
Work-in-progress					
<i>(Effective 1 April 2016)</i>	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	37,726,886	-	902,812	-	38,629,698

Dwellings & Non-residential building

Immovable property has been disclosed as per National Treasury Guide (updated 2015). The properties disclosed in the above note are as per the Assets Register and Register. The criteria followed to record properties in the Asset Register is as follows:

- > Endorsed title deed on hand*
- > Item 28(1) issued*
- > Historic name title*
- > Specific Legislation*
- > Completed construction cost on custodian land*

The Department maintains a Register for the immovable property not in accordance of the above criteria and management assess the control over these facilities. If a facility is under control of the Department, then the facility is included in the above disclosure.

The Department identified 256 facilities which are unknown and under investigation. These facilities are documented in a Register.

Included in the Asset Register is a facility that is used in terms of a "donation of deed" from a private entity. The facility is registered in the name of the entity

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Immovable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the immovable tangible capital assets per the asset register are assets that are under investigation:		
Buildings and other fixed structures	176	62,435

The above presents properties in the Asset Register registered as RSA

30.1 Additions

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

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	170,518	815,662	(83,368)	-	902,812
Dwellings	-	-	-	-	-
Non-residential buildings	13,069	419,610	-	-	432,679
Other fixed structures	157,449	396,052	(83,368)	-	470,133
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	170,518	815,662	(83,368)	-	902,812

30.2 Movement for 2014/15

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	36,625,387	(8,133)	1,365,518	255,886	37,726,886
Dwellings	52,979	-	5,051	-	58,030
Non-residential buildings	2,934,267	(7,441)	34,376	-	2,961,202
Other fixed structures	33,638,141	(692)	1,326,091	255,886	34,707,654
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	36,625,387	(8,133)	1,365,518	255,886	37,726,886

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30.2.1 Prior period error

	<i>Note</i>	2014/15 R'000
Nature of prior period error		
Relating to 2014/15		
Properties disclosed prior year not NCPG properties		(7,441)
Roads disclosed prior year only proclaimed in current year		(692)
Total prior period errors		(8,133)

30.3 Immovable assets valued at R1

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2016

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Total R'000
R1 Immovable assets	815	-	-	815
TOTAL	815	-	-	815

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2015

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Total R'000
R1 Immovable assets	780	-	-	780
TOTAL	780	-	-	780

30.4 S42 Immovable assets

Assets subjected to transfer in terms of S42 of the PFMA – 2015/16

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	91	389,228
Dwellings	91	389,228
Non-residential buildings		
Other fixed structures		
TOTAL	91	389,228

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PFMA Sec42 transfers were initiated by the user departments during 2015/16. The following user departments submitted transfers:

- > Department of Health
- > Department of Sport, Arts and Culture
- > Department of Social Development
- > Department of Education

30.5 Immovable assets additional information

		Note	2015/16	2014/15
a) Unsurveyed land	Estimated completion date	<i>Annexure 9</i>	Area	Area
	268 land parcels			Unknown
b) Properties deemed vested		<i>Annexure 9</i>	Number	Number
	Land parcels			
	Facilities			
	Schools		754	825
	Clinics and Hospitals		55	72
	Office buildings		52	8
	Dwellings		147	246
	Storage facilities		12	-
	Other		220	217
c) Facilities on unsurveyed land	Duration of use	<i>Annexure 9</i>	Number	Number
	Schools		193	186
	Clinics and Hospitals		26	23
	Hospitals		3	-
	Office buildings		11	12
	Dwellings		22	25
	Storage facilities		1	-
	Other		8	4
d) Facilities on right to use land	Duration of use	<i>Annexure 9</i>	Number	Number
	Schools		306	303
	Clinics		139	168
	Hospitals		18	-
	Office buildings		48	15
	Dwellings		52	56
	Storage facilities		17	-
	Other		54	186

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e) Agreement of custodianship	<i>Annexure 9</i>	2015/16 Number	2014/15 Number
Land parcels			
Facilities			
Other		3	3

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31. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					Amount received by department	SPENT			2014/15	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available		Amount spent by department	Under / (Overspending)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000
Division Of Revenue Act Provincial Grants:											
Provincial Roads Maintenance Grant	822,430	-	-	-	822,430	822,430	822,430	-	100%	640,472	640,472
EPWP Incent. Grant	3,493	-	-	(1,009)	2,484	2,484	2,484	-	100%	2,964	2,964
	825,923	-	-	(1,009)	824,914	824,914	824,914	-		643,436	643,436

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32. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000		R'000	R'000	%
Municipal rates and taxes (see Annexure 1A)	51,578	-	-	51,578	51,578	-	-
TOTAL	51,578	-	-	51,578	51,578	-	-

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ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2014/15
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%	R'000
Dikgatlong	6	-	-	6	6			6	6	100%	9
Emthanjeni	1,982	-	-	1,982	1,982			1,982	1,982	100%	2,055
Gamagara	173	-	-	173	173			173	173	100%	163
Gasegonyana	1,895	-	-	1,895	1,895			1,895	1,895	100%	1,016
Hantam	460	-	-	460	460			460	460	100%	398
Kamiesberg	849	-	-	849	849			849	849	100%	1,625
Kareeberg	572	-	-	572	572			572	572	100%	356
Karoo Hoogland	216	-	-	216	216			216	216	100%	171
!Kai! Gariep	1,217	-	-	1,217	1,217			1,217	1,217	100%	1,176
Kgatelopele	197	-	-	197	197			197	197	100%	185
Khai-Ma	144	-	-	144	144			144	144	100%	135
//Khara Hais	6,047	-	-	6,047	6,047			6,047	6,047	100%	5,528
Kheis	65	-	-	65	65			65	65	100%	28
Magareng	357	-	-	357	357			357	357	100%	317
Mier	129	-	-	129	129			129	129	100%	220
Moshaweng	-	-	-	-	-			-	-	-	-
Nama Khoi	3,420	-	-	3,420	3,420			3,420	3,420	100%	2,992

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NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2014/15
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%	R'000
Phokwane	293	-	-	293	293			293	293	100%	513
Renosterberg	-	-	-	-	-			-	-	-	166
Ritchterveld	30	-	-	30	30			30	30	100%	28
Siyancuma	311	-	-	311	311			311	311	100%	267
Siyathemba	1,688	-	-	1,688	1,688			1,688	1,688	100%	1,619
Sol Plaatje	29,573	-	-	29,573	29,573			29,573	29,573	100%	28,529
Thembelihle	164	-	-	164	164			164	164	100%	231
Tsantsabane	285	-	-	285	285			285	285	100%	264
Ubuntu	766	-	-	766	766			766	766	100%	608
Umsobomvu	739	-	-	739	739			739	739	100%	711
Pixley ka Seme DM	-	-	-	-	-			-	-	-	2,410
TOTAL	51,578	-	-	51,578	51,578	-	-	51,578	51,578		51,720

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ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2014/15
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Government Motor Transport	-	-	-	-	-	-	-
Construction SETA	626	-	-	626	626	100%	324
Public Sector SETA	111	-	-	111	111	100%	379
TOTAL	737	-	-	737	737		703

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ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2014/15
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
Transfers							
Leave Gratuity	2,063	-	-	2,063	2,061	100%	1,220
Bursaries (Non-employee)	399	-	-	399	399	100%	566
Post-retirement benefit	3,386	-	-	3,386	3,386	100%	1,922
Donations and Gifts (Cash)	233	-	-	233	232	100%	428
Claims against the state (Cash)	174	-	-	174	174	100%	-
TOTAL	6,225	-	-	6,225	6,252		4,136

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ANNEXURE 1J
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2015/16	2014/15
	R'000	R'000
Made in kind		
Diamond and Dorings Festival	-	200
Donation of 400 blankets	-	9
Transport for karate team (Kimberley to Durban return)	-	5
Donation of soccer kit	-	9
EM Isaacs tuition fees (University of Free State)	-	31
St Mary's Cathedral – Hire of hall for fund raising	-	5
Disabled children's action group – Christmas lunch	-	18
Donation of 10 blankets Outreach Programme	-	4
Donation of groceries	-	11
DKD Mokgalagadi (Tshwane University of Technology)	-	7
L Owies (Northlink College)	-	12
N Dirkse (Northlink College)	-	12
KS Tawana (Tshwane University of Technology)	-	7
C Watt (Transport and study material – Vredendal FET)	-	3
V Sokatsha (Rhodes University)	-	20
M Losper (Hugenote College)	-	9
C Burgess (Cape Peninsula University of Technology)	-	5
V Brandt (Northlink College)	-	12
Mrs M Heyekane (Sheep for funeral)	-	15
Z Uys (Montana High School)	-	11
L Smith (Sol Plaatje University)	-	25
Donation of Rugby kit (Klipfontein Rugby Team)	5	-

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NATURE OF GIFT, DONATION OR SPONSORSHIP	2015/16	2014/15
	R'000	R'000
Tuition fees and Books (University of the Free State: G Engelbrecht)	5	-
Tuition fees (Cape Peninsula University of Technology: E Cloete)	5	-
Transport for school tour (St Anna's School in Matjieskloof)	5	-
Tuition fees (University of Western Cape: A Beukes)	5	-
Donation of Soccer kit (Xhobes Football Club in Eksteenfontein)	11	-
Tuition fees (Rhodes University)	12	-
Assistance towards National Choir Festival (Paballelo Choral Choir)	5	-
Assistance towards S.Y.M/Run-Rooirand Youth Day Event in Barkley	3	-
Assistance towards educational tour (Kevin Nkoane Primary School)	5	-
Assistance towards repairs to wheelchair bike (Mr J Bok)	3	-
Repair faults at 4 Houses in Green Point (EXCO outreach programme)	41	-
Christmas lunch for the Elderly of Garies	31	-
Tuition fees (University of the Free State: MJ Hans)	25	-
Tuition Books (University of the Free State: G Engelbrecht)	5	-
Ms DV Appie (Funeral arrangements)	5	-
Donation of Soccer kit (Xhobes Football Club in Eksteenfontein)	6	-
Tuition fees and Books (University of North West: TP Landu)	7	-
Tuition fees (Grootfontein College of Agriculture: LR Cloete)	17	-
Tuition fees (University of Western Cape: NT Stevens)	10	-
Student accommodation at the Vuseleta FET College of North West	12	-
Transport cost (Uniting Reformed Church)	9	-
TOTAL	232	430

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ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2016 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2015	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2016	Guaranteed interest for year ended 31 March 2016	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
First Rand Bank	Housing	273	24	-	24	-	-	-	-
TOTAL		273	24	-	24	-	-	-	-

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ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2016

Nature of Liability	Opening Balance 1 April 2015 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelle d/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2016 R'000
Claims against the department					
L & J Azevedo	6,753	-	-	-	6,753
Carmutshana	279	-	50	-	229
S J H Venter	4	-	1	-	3
Danie Fourie	20	-	2	-	18
Mr H Smook	336	-	20	-	316
G. Akker	879	-	879	-	-
Pemberley Investments (Pty)Ltd	5,865	-	5,865	-	-
F.O London & 3 others	29,133	-	1,300	-	27,833
Duane Maass	56	-	-	-	56
J.A Meintjies	17	-	-	-	17
Hester Steyn	28	-	28	-	-
CA Peterson	4,450	-	250	-	4,200
Jakes Jacobs	24	-	-	-	24
Justice Bekebeke	28	-	-	-	28
Vista Park Development (Pty) Ltd – 1st Plaintiff/ Joh –Arch Investments (Pty)Ltd -2nd Plaintiff *	70,000	-	-	-	70,000
Colin Cyril van Niekerk	2,501	599	-	-	3,100
MS Motingoe	250	22	272	-	-
Crouch	360	-	360	-	-
C Coetzee	1,268	-	-	-	1,268

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Nature of Liability	Opening Balance 1 April 2015 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelle d/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2016 R'000
CE Loots	7,957	-	957	-	7,000
Y Olen	43	-	-	-	43
S. Sulliman	12	-	-	-	12
Tebogo Patric Morake	1,200	-	-	-	1,200
Patrick Morolong	48	-	48	-	-
Nenkazi Manoto	12	-	-	-	12
T V Molwagae	3	-	-	-	3
Crouch Pothole Claim	87	-	-	-	87
Boitumelo Kolberg	2	-	-	-	2
Thapelo Elliot Borake	32	-	-	-	32
A De Nysschen	5	-	-	-	5
KG Thupae	5	-	-	-	5
J Kgatlane	4	-	-	-	4
Clive King	18	-	-	-	18
Mosa Polelo	10	-	-	-	10
Molatsi J. Mofoka	4,320	-	-	-	4,320
Hendrik Rust Rust	26	-	-	-	26
Jan Gouws	15	-	15	-	-
Willem Hendrik Olivier	8,800	-	300	-	8,500
Gideon Kriel	20	-	-	-	20
Tshepileng May	11	-	-	-	11
NC Fleet Management TE	787	-	-	-	787
Reynecke	200	-	-	-	200
JL van der Walt	-	15	15	-	-

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Nature of Liability	Opening Balance 1 April 2015 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelle d/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2016 R'000
Christopher Irvin Lee Willemse	-	75	-	-	75
AG Van Rooyen	-	12	-	-	12
GG De Jager	-	9	9	-	-
Gustaaf Ekkerd	-	11	-	-	11
L S Makatong	-	4	-	-	4
P Mothibantwa	-	17	-	-	17
R Francis	-	11	-	-	11
Rodney A Lottering	-	9,872	-	-	9,872
Rolang Reginald Seboko	-	4	-	-	4
J Visser	-	5	-	-	5
HC van Wyk	-	107	-	-	107
A Coetzee	-	2	-	-	2
J Jacobs	-	87	-	-	87
Rupert Bergstrom	-	14	-	-	14
Elizabeth Venter	-	32	-	-	32
Lebogang Rapodile	-	19	-	-	19
JJ Bouwer	-	13	-	-	13
A George	-	35	-	-	35
Inus Jean Swart	-	50	-	-	50
Sebata Municipal Solutions	-	10,206	-	-	10,206
TOTAL	145,868	21,221	10,371	-	156,718

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ANNEXURE 4
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2015/16 *	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Health	-	-	4,365	2,467	4,365	2,467		
Office of the Premier	-	142	142	-	142	142		
Transport, Safety and Liaison	-	-	485	485	485	485		
Social Development	-	-	48	48	48	48		
Sports, Arts and Culture	-	-	149	149	149	149		
Environment and Nature Conservation	-	-	25	25	25			25
COGHSTA	-	-	3	3	3	3		
TOTAL	-	142	5,217	3,177	5,217	3,319		

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ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2015/16 *	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Office of the Premier	-	-	616	506	616	506		
Economic Development	-	146	-	-	-	146		
Provincial Treasury	-	-	154	153	154	153		
Sports, Arts and Culture	-	-	6	-	6	-		
Transport, Safety and Liaison	-	-	2,268	-	2,268	-		
Subtotal	-	146	3,044	659	3,044	805		
OTHER GOVERNMENT ENTITY								
Non-current								
Northern Cape Fleet Management Trading Entity	32,872	33,738	-	-	32,872	33,738		
TOTAL	32,872	33,884	3,044	659	35,916	34,543		

**ANNEXURE 6
INVENTORIES**

Inventory [Per major category]	<i>Note</i>	Quantity	2015/16	Quantity	2014/15
			R'000		R'000
Opening balance		499	64	2,983	66
Add: Additions/Purchases - Cash		353	126	-	-
(Less): Issues		(353)	(126)	(2,484)	(2)
Closing balance		499	64	499	64

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ANNEXURE 7
MOVEMENT IN CAPITAL WORK IN PROGRESS

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

	Opening balance R'000	Current Year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	141,844	157,449	(214,605)	84,688
Dwellings	-	-	-	-
Non-residential buildings	1,567	-	(1,567)	-
Other fixed structures	140,277	157,449	(213,038)	84,688
TOTAL	141,844	157,449	(214,605)	84,688

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

	Opening balance R'000	Prior period error R'000	Current Year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	102,278	-	141,844
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	1,567	-	1,567
Other fixed structures	39,566	-	100,711	-	140,277
TOTAL	39,566	-	102,278	-	141,844

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ANNEXURE 9
IMMOVABLE ASSETS ADDITIONAL DISCLOSURE

Properties deemed vested	User Departments	No.
Land parcels		268
Facilities		
Schools	Dept. Education	754
Clinics & Hospitals	Dept. Health	55
Office buildings	All Departments	52
Dwellings	All Departments	147
Storage facilities	All Departments	12
Other	All Departments	220
Facilities on unsurveyed land		
		No.
Schools	Dept. Education	193
Clinics & Hospitals	Dept. Health	26
Hospitals	Dept. Health	3
Office buildings	All Departments	11
Dwellings	All Departments	22
Storage facilities	All Departments	1
Other	All Departments	8
Facilities on right to use land		
		No.
Schools	Dept. Education	306
Clinics	Dept. Health	139
Hospitals	Dept. Health	18
Office buildings	All Departments	48
Dwellings	All Departments	52
Storage facilities	All Departments	17
Other	All Departments	54
Agreement of custodianship		
		No.
Other	All Departments	3

DEPARTMENT OF ROADS AND PUBLIC WORKS

THE NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY (NCFMTE)

1. REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2016 for the Northern Cape Fleet Management Trading Entity (NCFMTE) hereafter referred to as the Entity. 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.

2. 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.

The names of the members of the Audit Committee as well as the number of meetings attended by the members are reported in the Accounting Officer's report.

3. 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.

4. THE EFFECTIVENESS OF INTERNAL CONTROL

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

The following internal audit assignments were completed during the year under review:

- Review of the Annual Financial Statements for 2014/2015,
- Review of the Interim Financial Statements as at 30 September 2015,
- Performance information,
- Fleet Management,
- Revenue Management,
- Follow up audits for fleet management and the Auditor-General Audit Action Plans
- Risk management and ICT were audited as part of the audits for the Department of Roads and Public Works.

REPORT OF THE AUDIT COMMITTEE OF THE NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY

The following were areas of concern:

Interim Financial Statement need to be strengthened as follows:

- Controls to prevent irregular expenditure from re-occurring.
- Updating of moveable asset register and verification of the moveable assets.
- Quarterly review of irregular and Fruitless and Wasteful expenditure registers.
- Reporting of depreciation in the Interim Financial Statements.
- Reconciliations of debtors and creditors.

Performance information to be fully established by implementing the following:

- Alignment of the strategic plan of the Entity to that of DRPW.
- Development of clear and unambiguous indicators, i.e. SMART.
- Collating, processing and analysing of performance information, to ensure that the reported performance has occurred and has been accurately reported.
- In-year and end-year reporting, to ensure continuous monitoring of performance for the overall achievement of Entity's objectives, by analysing provided reasons and corrective actions for non-performance and over-performance.

Fleet management needs to be strengthened as follow:

- Develop clear and concise standard policies and procedure manuals.
- Appointment of permanent staff against the approved organisational structure and ensure that newly appointed employees are trained on the above standard policy and procedure manuals.
- An internal disposal committee to be considered, with terms of reference that will guide the functionality of the committee.
- Developing memos to be approved for additions and removal of vehicles on the asset register and Cartrack for adequate maintenance of the asset register.
- Developing and formalizing the monthly reporting and monitoring of the fleet.
- Adequate planning for replacements.
- Institute and implement effective customer care procedures

Revenue management processes need to be strengthened as follow:

- The development and approval of revenue management policies and procedure manuals and the appointment of staff in finance.
- Finalisation of the review of service level agreements with all user departments.
- The development of a service level agreement between Entity and DRPW for the yellow fleet, specifically to provide guidance in terms of the turn-around time on maintenance and availability of the yellow fleet.
- The Entity and DRPW should analyse the lead time in terms of the availability of the plant to assess value for money against the approved flat rate on yellow fleet.
- Tariff structures to be reviewed timely for all categories of fleet lease agreements.
- Revenue reconciliations should be properly compiled, reviewed and signed-off by the relevant next level of authority.

REPORT OF THE AUDIT COMMITTEE OF THE NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY

- Minutes and/or resolutions should be noted during the fleet forum meetings as proof that outstanding invoices were continuously being followed up.

Management has however developed a pragmatic action plan to address the above issues within a reasonable time period.

5. IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORT

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

We had engagements with the entity'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.

6. EVALUATION OF FINANCIAL STATEMENTS

- 6.1 The Audit Committee has reviewed the unaudited financial statements for the year ended 31 March 2016 for the Entity and has discussed matters of concern with management. The Audit Committee further reviewed the audited financial statements and discussed the statements with the Auditor-General as well as the Accounting Officer.
- 6.2 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.
- 6.3 The Audit Committee has reviewed the accounting policies (Generally Recognised Accounting Practices) 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.
- 6.4 The Audit Committee reviewed the entity'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.
- 6.5 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.
- 6.6 The Audit Committee has reviewed significant adjustments resulting from the audit as part of the review of the audited financial statements.
- 6.7 The Audit Committee hereby indicates its concurrence with the Auditor-General's conclusion on the annual financial statement as well as the unqualified audit opinion of the Auditor-General.

7. INTERNAL AUDIT

The Audit Committee is satisfied as to effectiveness of internal audit function during the year and that the internal audit activity has to a large extent addressed the risks pertinent to the Entity.

8. AUDITOR-GENERAL SOUTH AFRICA

We have reviewed the Entity's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved except for the following:

Plant and equipment

- Regular and timely reconciliations


Revenue

- Follow-up of outstanding revenue to be improved and debt policy to be compiled and implemented.

Leadership

- Performance reporting to be provided.
- Approval of delegations to be finalised.

The Audit Committee met with representatives from the Office of the Auditor-General South Africa during the year to discuss issues of mutual concern and ensure that there are no unresolved issues.



C. Ogu
Chairperson of the Audit Committee
Date: 2016-08-19

Report of the Auditor-General to the Northern Cape Provincial Legislature on the Northern Cape Fleet Management Trading Entity

Report on the financial statements

Introduction

1. I have audited the financial statements of the Northern Cape Fleet Management Trading Entity as set out on pages 183 to 219, which comprise the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets, cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Officer's responsibility for the financial statements

2. The Accounting Officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Northern Cape Fleet Management Trading entity as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the PFMA.

Emphasis of matter

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

Irregular Expenditure

7. The value of R22 997 000 as disclosed in note 19 is not complete as management is still busy with the exercise to quantify the full extent of the irregular expenditure.

Restatement of corresponding figures

8. As disclosed in note 26 to the financial statements, the corresponding figures for 31 March 2015 have been restated as a result of an error discovered during the year ended 31 March 2016 in the financial statements of the Northern Cape Fleet management Trading Entity at, and for the year ended, 31 March 2015.

Report on other legal and regulatory requirements

9. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of selected objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

10. I am unable to report on the usefulness and reliability of the performance information, as the annual performance report of the trading entity was not prepared as required by section 40(3)(a) of the PFMA.

Compliance with legislation

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

Strategic planning and performance management

12. A strategic plan was not prepared by the Accounting Officer required by Treasury Regulation (TR) 5.1.1.

Financial statements, performance and annual reports

13. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1) (a) and (b) of the PFMA. Material misstatements of non-current assets, current assets, revenue and expenditure identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

14. Effective steps were not taken to prevent irregular expenditure as required by section 38(1)(c)(ii) of the PFMA and TR 9.1.1. The value of R22 997 000 as disclosed in note 19 is not complete as management is still busy with the exercise to quantify the full extent of the irregular expenditure.
15. Effective steps were not taken to prevent fruitless and wasteful expenditure, amounting to R98 000 as disclosed in note 20 of the AFS, as required by section 38(1)(c)(ii) of the PFMA and TR 9.1.1.

Revenue management

17. Bad debt was written off that did not comply with the requirements of the entity's write-off policy, as required by TR 11.4.2.
18. All reasonable steps were not taken to recover debts before writing them off, as required by TR 11.4.1.

Procurement and contract management

19. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by TR 16A6.1. Deviations were approved by the Accounting Officer even though it was not impractical to invite competitive bids, in contravention of TR 16A6.4.
20. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by TR 16A6.1.
21. Sufficient appropriate audit evidence could not be obtained that quotations were awarded to suppliers whose tax matters have been declared by the South African Revenue Services (SARS) to be in order as required by TR 16A9.1 (d).
22. Sufficient appropriate audit evidence could not be obtained that quotations were awarded to bidders based on points given for criteria that were stipulated in the original invitation for quotations, as required by TR 16A6.3 (a).
23. Sufficient appropriate audit evidence could not be obtained that the preference point system was applied in all procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act (PPPFA) and TR 16A6.3 (b).
24. Sufficient appropriate audit evidence could not be obtained that quotations were awarded to suppliers based on preference points that were allocated and calculated in accordance with the requirements of the PPPFA and its regulations.
25. Sufficient appropriate audit evidence could not be obtained that quotations were awarded to bidders that scored the highest points in the evaluation process as required by section 2(1) (f) of PPPFA and its regulations.
26. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded only to bidders who submitted a declaration on whether they are employed by the state

REPORT OF THE AUDITOR GENERAL TO THE NORTHERN CAPE PROVINCIAL LEGISLATURE ON THE NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY

or connected to any person employed by the state, which is prescribed in order to comply with TR 16A8.3.

Internal control

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

Leadership

28 The leadership did not implement adequate systems to ensure regular, accurate and complete financial reporting. Furthermore, the trading entity did not have any established policies and procedures in place to ensure an effective and efficient control environment. This led to material misstatements in the financial statements not being identified by management.

29 The leadership did not regularly monitor management's compliance with laws, regulations and internally designed policies and procedures. As a result, significant non-compliance issues were noted.

Financial and performance management

30 The financial statements were subject to material corrections resulting from the audit, which can be attributed to insufficient review of accuracy and completeness by management before submission for audit purposes. There was also a lack of adequate systems to ensure regular, accurate and complete financial reporting.

31 Non-compliance with laws and regulations as it relates to finance, performance and compliance in itself, could have been prevented had compliance been properly reviewed and monitored.

32 Manual and automated controls were not designed, implemented and reviewed to ensure that the transactions that occurred were authorised, complete and accurate.

Auditor General

Auditor-General

Kimberley

31 July 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

**NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY
ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2016**

**NORTHERN CAPE FLEET MANAGEMENT TRADING
ENTITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
ENDED
31 MARCH 2016**

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**NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY
ANNUAL FINANCIAL STATEMENTS**

For the year ended 31 March 2014

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR 31 MARCH 2016**

		31 March 2016	31 March 2015
	<i>Notes</i>	R'000	R'000
REVENUE			
Revenue from Exchange Transactions	5.1	217 015	220 815
Sale of goods and Rendering of Services		201 909	206 530
Finance lease income		12 789	11 594
Finance Income		2 317	2 691
Other Income		-	-
Revenue from Non – Exchange Transaction	5.2	6 830	40
Public contributions and donations		-	-
Government grant and subsidies		6 830	40
Total Revenue		223 846	220 855
 Operating expenses	 6	 (259 501)	 (165 618)
 TOTAL (DEFICIT)/SURPLUS		 (35 655)	 55 237
 (DEFICIT)/SURPLUS FOR THE PERIOD		 (35 655)	 55 237

NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY
ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2016

STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2016

		31 March	31 March
		2016	2015
	Notes	R'000	R'000
ASSETS			
Non-current Assets		231 612	231 293
Fleet, Plant and Equipment	7	195 966	188 975
Finance Lease Receivables	15	35 522	42 277
Intangible assets	8	124	40
Current Assets		333 374	327 636
Receivables from Exchange Transactions	9	194 666	253 204
Short-term portion of Finance Lease Receivable	15	8 830	26 555
Cash and Cash Equivalents	17	86 287	27 260
Inventories	18	43 590	20 618
TOTAL ASSETS		564 985	558 929
NETT ASSETS AND LIABILITIES			
Current Liabilities		58 391	10 122
Payables from Exchange Transactions	11	58 391	10 122
Nett Assets		506 594	548 808
Accumulated Surplus		454 262	496 476
Revaluation Surplus	9	52 332	52 332
TOTAL NETT ASSETS AND LIABILITIES		564 895	558 929

**NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY
ANNUAL FINANCIAL STATEMENTS**

For the year ended 31 March 2014

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2016

	Note	Accumulated Surplus	Revaluation Surplus	Total
Balance at 01 April 2014 a previously reported		514 634	66 049	580 683
Correction of error		(73 395)		(73 395)
Balance at 01 April 2014 (restated)		441 239	66 049	507 288
Surplus on Revaluation of Fleet, Plant and Equipment	9		(13 717)	(13 717)
Total Surplus for the year		55 237	-	55 237
Balance at 31 March 2015		496 476	52 332	548 808
Total Deficit for the year		(35 655)	-	(35 655)
Transfers from accumulated surplus		(6 554)	-	(6 554)
Other movements		(5)	-	(5)
Balance at 31 March 2016		454 262	52 332	506 694

**NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY
ANNUAL FINANCIAL STATEMENTS**

For the year ended 31 March 2016

**STATEMENT OF CASH FLOWS
FOR THE PERIOD YEAR 31 MARCH 2016**

		31 March 2016 R'000	31 March 2015 R'000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Customers		280 066	189 989
Interest Received	5	2 317	2 691
Payments			
Payments to Suppliers		(198 688)	(171 686)
Net Cash Flows from Operating Activities	16	82 695	20 995
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	(35 617)	(36 640)
Proceeds on sale of property, plant and Equipment		11 054	934
Purchase of intangible assets		(104)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		(24 667)	(35 706)
 NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		59 027	(14 711)
 CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR			
		27 260	41 971
 CASH AND CASH EQUIVALENTS AT END OF THE YEAR			
		86 287	27 260

**NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY
ANNUAL FINANCIAL STATEMENTS**

For the year ended 31 March 2014

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. General Information

Fleet Management Trading Entity is a Trading Entity incorporated in terms of Section 19 of Treasury Regulations as issued in terms of the Public Finance Management Act of 1999.

A Trading Entity is defined as an entity operating within the administration of a department. Fleet Management operates under the administration of the Northern Cape Department of Roads and Public Works.

The entity is domiciled in Kimberley within the Northern Cape Province, South Africa.

Principal Activities

The entity is responsible for supplying the Northern Cape Provincial Government Departments, National Departments and Local Governments functioning in the Northern Cape Province with affordable and reliable vehicles.

The entity has different categories of vehicles rented to the National Departments:

- a) *Permanent Vehicles*: These vehicles are permanently allocated to a Government Department.
- b) *Road Building Equipment*: The greatest part of the equipment fleet is rented to the Department of Roads and Public Works on a permanent basis.

The entity recovers its costs through charging the following:

White Fleet

- a) *Daily Tariffs*: These tariffs are calculated in such a way that through it, Fleet Management recovers both its overheads and a capital component of the fleet.
- b) *Kilometre Tariffs*: These tariffs are calculated in such a way that through it, Fleet Management recovers the running expenses of the fleet, which is fuel, oil, maintenance, etc.

Yellow Fleet

- a) The entity recovers its cost for managing the fleet by charging the Department of Roads and Public Works a fixed rate tariff for costs incurred in respect of the usage of the fleet including the depreciation charge.

NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2016

2. Basis of preparation

The annual financial statements of the entity have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board, and on the going concern basis.

The annual financial statements were prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

In the absence of an issued and effective Standards of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with GRAP 3 as read with Directive 5. Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The principal accounting policies, applied in the preparation of these annual financial statements, are set out below. These accounting policies are consistent with those applied in the preparation of the prior year annual financial statements, unless specified otherwise. Details of any changes in the accounting policies are provided in the note on changes in accounting policies

The annual financial statements are presented in South African Rand and all values are rounded to the nearest thousand (R000), except when otherwise indicated.

2.1 Significant accounting judgements, estimates and assumptions

The preparation of the Entity's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

In the process of applying the entity's accounting policies, management has made the following judgment, apart from those involving estimates, which has the most significant effect on the amounts recognised in the financial statements:

a) *Vehicle fleet rentals treated as finance lease*

Management classifies the lease contracts for the renting of vehicles by User Departments (specifically vehicles that have been permanently allocated) as finance leases. Management reached this conclusion after evaluating (which included the performance of calculations to support the evaluation) the six (6) indicators identified in *GRAP 13 – Leases*, that could individually, or in combination lead to leases being classified as finance leases.

**NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY
ANNUAL FINANCIAL STATEMENTS**

For the year ended 31 March 2014

b) White and Yellow fleet valuation

There are some areas where the officials responsible for the valuation have to use their own judgment with regards to the fleet. This is particularly true when rating the vehicle's condition. Management ensures accuracy in this matter by ensuring that only officials with adequate knowledge and expertise are utilised to perform the rating of condition that is performed during physical inspection.

c) Review of useful lives of Fleet, plant and equipment and intangible assets

The useful lives of assets are based on management's estimation of the vehicles' conditions as stated above. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

d) Impairments

Based on the results of each year's physical inspection, the management of the trading Entity can at year-end estimate the impairment of each asset. In making the above-mentioned estimates and judgement, management considers the subsequent measurement criteria and indicators of potential impairment losses as set out in GRAP 21: Impairment of Cash generating Assets and GRAP 26: Impairment of non-Cash generating Assets.

e) Effective interest rate

The Entity makes use of the official interest rate as issued by National Treasury, for all its discounting calculations.

f) Capitalisation of Fleet, plant and equipment

The capitalisation of motor vehicle fleet and road building equipment accessories and other items of Fleet, plant and equipment have been evaluated by management based on the reasonable useful life thereof and the significance of commercial resale value. Items not capitalised have been expensed to repairs and maintenance as the entity deems that there are no probable future economic benefits associated with these items that will flow to the entity or that these items will in all probability have a useful life of less than one year and therefore do not view these items as assets.

**NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY
ANNUAL FINANCIAL STATEMENTS**

For the year ended 31 March 2016

2.2 Statements and interpretations not yet effective

At the date of authorisation of these annual financial statements, the following standards and interpretations were in issue but not yet effective:

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the Entity:

Reference	Topic	Effective date
GRAP 18	Segment Reporting	1 April 2015
GRAP 20	Related Party Disclosures (Revised)	
GRAP 32	Service Concession Arrangement Grantor	
GRAP 105	Transfers between entities under common control	1 April 2015
GRAP 106	Transfers between entities not under common control	1 April 2015
GRAP 107	Mergers	1 April 2015
GRAP 108	Statutory Receivables	

All other standards as listed above will only be effective when a date is announced by the Minister of Finance.

The ASB Directive 5 sets out the principles for the application of the GRAP 3 guidelines in the determination of the GRAP Reporting Framework hierarchy, as set out in the standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors.

Where a standard of GRAP is approved as effective, it replaces the equivalent statement of International Public Sector Accounting Standards Board, International Financial Reporting Standards or Generally Accepted Accounting Principles. Where a standard of GRAP has been issued, but is not yet in effect, an entity may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event before applying the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Management has considered all of the above-mentioned GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the Entity.

3. Going concern

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

**NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY
ANNUAL FINANCIAL STATEMENTS**

For the year ended 31 March 2014

4. Summary of significant accounting policies.

4.1 Fleet, Plant & Equipment

Fleet, Plant & Equipment is recognised when:

- it is probable that future economic benefits or service potential associated with the item will flow to the Entity and
- the cost or fair value of the item can be measured reliably

Initial Recognition

- An item of fleet, plant and equipment that qualifies for recognition as an asset shall be measured at its cost.
- Where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

Subsequent Measurement

Furniture & Computer equipment

Following initial recognition, furniture and computer equipment, are measured at cost, less accumulated depreciation and accumulated impairment losses.

Motor Vehicle Fleet and Road Building Equipment

Following initial recognition at cost, fleet is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluation of fleet is made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Accumulated depreciation is eliminated against the gross carrying amount of the assets and the net amount restated to the revalued amount of the asset at the date of the revaluation.

If an item of fleet's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit. If an item of fleet's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in surplus or deficit. However, the decrease shall be debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus included in net assets in respect of an item of fleet is transferred directly to accumulated surpluses/deficits when the asset is derecognised.

Subsequent expenditure relating to the fleet is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset.

An item of Fleet, plant and equipment is derecognised upon disposal or when no future economic benefits or service potential are expected from its use or disposal.

Gains or loss arising on de-recognition of fleet, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) (or in the case of fleet calculated by deducting the value of the specific fleet item (as determined at the latest financial year-end) from the proceeds obtained from the auction of the specific fleet

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item) is included in the Statement of Financial Performance in the year the asset is derecognised.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Motor Vehicle Fleet: 4 years
- Road building equipment: 5 to 20 years
- Furniture and Computer equipment: 5 years
- Intangible assets 5 years

The depreciation also takes into account a residual value. The estimated residual value of each fleet item is determined in the same way as the residual value that is determined by management during the annual calculation of the daily tariffs.

Depreciation methods, useful lives and residual values are reviewed on a yearly basis.

4.2 Impairment of fleet, plant and equipment

The Entity classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. A commercial return means that the return charged by the entity is commensurate with the risk associated with holding the asset and the asset is intended to generate positive cash inflows. All other assets are classified as non-cash-generating assets.

4.2.1 Impairment of Cash Generating Assets

The Entity assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Entity estimates the recoverable amount of the individual asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The best evidence of fair value less cost to sell is the price in a binding sale agreement in an arm's length transaction, adjusted for the incremental cost that would be directly attributable to the disposal of the asset.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

An impairment of assets carried at revalued amount in reduces the revaluation surplus for that asset. The decrease shall be debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit, pro rata on the basis of the carrying amount of

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each asset in the unit.

An Entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

4.2.2 Impairment of Non-Cash Generating Assets

The Entity assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Entity estimates the recoverable service amount of the asset.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount is the higher of non-cash generating asset's fair value less costs to sell and its value in use. The value in use for non-cash generating asset is the present value of the asset's remaining service potential.

The value in use for non-cash generating asset is the present value of the asset's remaining service potential.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An Entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

Irrespective of whether there is any indication of impairment, the Entity also tests an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test can be performed at any time during the reporting period, provided it is performed at the same time every year. Different intangible assets may be tested for impairment at different times. However, if such an intangible asset was initially recognised during the current reporting period, that intangible asset shall be tested for impairment before the end of the current reporting period.

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4.3 Intangible assets

Identifiable non-monetary assets without physical substance are classified and recognised as intangible assets. The entity recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Entity and the cost or fair value of the asset can be measured reliably

Intangible assets are initially recognised at cost. The cost of an intangible asset is the purchase price and other costs attributable to bring the intangible asset to the location and condition necessary for it to be capable of operating in the manner intended by the Entity, or where an intangible asset is acquired at no cost, or for a nominal cost, the cost shall be its fair value as at the date of acquisition. Trade discounts and rebates are deducted in arriving at the cost. Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the net disposals proceeds and the carrying value and is recognised in the statement of financial performance.

4.4 Financial Instruments

Initial recognition and measurement

When a financial instrument is recognised, the entity measures it initially at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement

Subsequent to initial recognition, financial assets and financial liabilities are measured at fair value, amortised cost or cost.

All financial assets and financial liabilities are measured after initial recognition using the following categories:

- a) Financial instruments at fair value.
 - Derivatives.
 - Compound instruments that are designated at fair value i.e. an instrument that includes a derivative and a non-derivative host contract.
 - Instruments held for trading.
 - Non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition.
 - An investment in a residual interest for which fair value can be measured reliably.
 - Financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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b) Financial instruments at amortised cost.

Non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that the entity designates at fair value at initial recognition or are held for trading. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of financial performance. The losses arising from impairment are recognised in the statement of financial performance.

c) Financial instruments at cost.

Investments in residual interests, which do not have quoted market prices and for which fair value cannot be determined reliably.

The entity assesses which instruments should be subsequently measured at fair value, amortised cost or cost, based on the definitions of financial instruments at fair value, financial instruments at amortised cost or financial instruments at cost as set out above.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired or through the amortisation process.

Impairments

All financial assets measured at amortised cost, or cost, are subject to an impairment review. The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

• For financial assets held at amortised cost

The entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have

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been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

- **For financial assets held at cost**

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of an Entity of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - a) The entity has transferred substantially all the risks and rewards of the asset, or
 - b) The entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the entity has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Entity's continuing involvement in the asset. In that case, the entity also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Entity could be required to repay.

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

Trade and other receivables

Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition and subsequently stated at amortised cost, less provision for impairment. All trade and other receivables are assessed at least annually for possible impairment. Impairments of trade and other receivables are determined in accordance with the accounting policy for impairments. Impairment adjustments are made through the use of an allowance account.

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Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. Interest is charged on overdue accounts.

Inventories

Inventories comprise current assets held for sale, current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

The historical cost of inventory includes:

- Purchasing costs (which include all costs directly attributable to the acquisition of the inventories);
- Other costs incurred in bringing inventories to their current location and condition; and
- From these costs, trade discounts and rebates are deducted if included.

Consumable stores and finished goods are valued at the lower of cost and net realisable value (net amount that an entity expects to realise from the sale on inventory in the ordinary course of business). In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and current replacement cost.

Trade and other payables

Trade payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

4.5 Revenue Recognition

4.5.1 Revenue from Exchange Transactions

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Entity and the revenue can be reliably measured. An exchange transaction is one in which the Entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

Finance Income (Interest income)

Revenue is recognised as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

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Rendering of Services

Revenue from the renting of vehicles is recognised with specific reference to:

- Revenue from Kilometre Tariffs: based on the actual kilometres travelled using the approved Kilometre Tariff.
- Revenue from Daily Tariffs: based on the actual days of usage, using the approved Daily Tariff.
- Revenue from Rentals Received: based on the above mentioned tariffs. This is specific to the equipment fleet.

Revenue is recognised in the reporting periods in which the services are rendered.

Recoverable Revenue

Recoverable revenue represents payments relating to the misuse and/or damage of vehicles and/or third party claims. This type of income has its origin from two sources and the income from these sources is recognised when the recognition criteria is met as follows:

- Claims against third parties: Income is only recognised when it is actually received.
- Claims against other government departments and municipalities: Income is only recognised when a case has been concluded and the claim has been made out to a specific department.

4.5.2 Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Entity received revenue, vehicles or equipment from another Entity without directly giving approximately equal value in exchange.

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount. The Entity recognises an asset arising from a non-exchange transaction when it gains control of resources that meet the definition of an asset and satisfy the recognition criteria.

Donations, Contributions and Government Grants

4.5.2.1 Donations and contributions

Donations and funding are recognised as revenue to the extent that the Entity has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance Fleet, plant and equipment, when such items of Fleet, plant and equipment are brought into use.

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Assets acquired in non-exchange transactions are measured at fair value in accordance with the Standards of GRAP.

4.5.2.2 Government grants and receipts

Unconditional grants

Unconditional grant allocations are recognised in revenue at the start of the financial year if no time-based restrictions exist.

Conditional grants and receipts

Conditional grants, donations and funding are recognised as revenue to the extent that the Entity has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Entity with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable.

Revenue is recognised when all conditions associated with the contribution have been met or where the contribution is to finance Fleet, plant and equipment, when such items of Fleet, plant and equipment are brought into use.

Interest earned on unspent grants and receipts

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the Entity's interest it is recognised as interest earned in the Statement of Financial Performance in accordance with GRAP 9.

4.5.2.3 Services in kind

Services in kind received by the entity are not recognised, but disclosed as a narrative in the notes to the financial statements.

4.6 Events after the Reporting Date

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- Those that is indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amounts recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

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The entity will disclose the nature of the event and an estimate its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

4.7 Contingent Liabilities and Contingent Assets

Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

4.8 Comparative Figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures reasonable expected to be available.

4.9 Net Assets

Net Asset is the net difference between assets and liabilities. It is represented by the following funds:

- Accumulated Surplus/(Deficit);
- Revaluation Reserve;

4.10 Related Parties

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

4.11 Finance Leases

Recognition

For those leases that meet the definition of a finance lease, where the entity is the lessor, the entity derecognises the asset subject to the lease at the inception of the lease. Along with the de-recognition of the asset the entity recognises a finance lease receivable. Finance lease income is allocated to between the finance lease receivable and finance income using the

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effective interest rate method and the resulting finance income is recognised in the Statement of Financial Performance as it accrues.

Measurement

Finance lease receivables are recognised at an amount equal to the entity's net investment in the lease. This net investment in the lease is calculated as the sum of the minimum future lease payments and unguaranteed residual value discounted over the lease term at the rate implicit in the lease.

Derecognition

Finance lease receivables are derecognised when the entity's right to the underlying cash flows expire or when the entity no longer expects economic benefits to flow from the finance lease receivable.

4.12 Changes in accounting policies, estimates and the correction of errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with GRAP 3 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 cases the entity shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 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 entity shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Details of changes in accounting policies, changes in estimates and correction of errors are disclosed in the notes to the annual financial statements where applicable.

4.13 Employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service. Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits which are only recognised when the specific event occurs.

Short-term employee benefits include:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits for current employees.

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4.13 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

4.14 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with requirement of any applicable legislation, including -

- a. this Act; or
- b. the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- c. any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

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5. Revenue

5.1 Revenue from Exchange Transactions

	31 March 2016 R'000	31 March 2015 R'000
Revenue from Exchange Transactions comprises:		
White Fleet Kilometre Tariffs	72 062	49 030
Yellow Fleet Rental of Road Building Equipment	122 072	123 581
Tracking	7 776	7 115
Finance Lease Income	12 789	11 594
Finance Income	2 317	2 691
	217 016	220 815

5.2 Revenue from Non – Exchange Transactions

Grant Received and Subsidies	6 830	40
Public contributions and donations	-	-
	6 830	40

5.3 Services received in kind

The entity received services in kind from the Northern Cape Department Roads and Public Works in the form of personnel, facilities and other administrative support. Due to the many uncertainties and complexities surrounding services in-kind, the fair value of the services in kind received cannot be determined and is not recognised by the Entity.

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	31 March 2016 R'000	31 March 2015 R'000
6. Operating Expenses		
Advertising expenses	29	213
Bank charges	13	301
Bad Debt	97 673	-
Cleaning	790	182
Consulting fees	1 848	2 075
Depreciation	17 593	29 385
Employee costs	6	1
Equipment rentals	12	65
Finance costs	-	-
Fuel, Oil and Lubricants (Transport Costs)	60 590	62 512
Damages and Losses	5 080	13 185
Licensing fees	2 864	2 635
Loss on disposal of property, plant and equipment	-	705
Maintenance and Repairs	44 394	37 431
Other expenses	18 176	10 754
Printing and stationery	4 602	3 754
Security	852	1 520
Telephone	415	272
Training	33	140
Transport claims	74	
Travel and accommodation	406	421
Uniforms and protective clothing	4	67
Valuation costs	4 038	-
Water	8	
	259 500	165 618

Management have implemented controls, which include electronic fleet cards to assist in identifying and correcting errors related to classification and document control. Furthermore the capitalisation of motor vehicle fleet and road building equipment accessories have been evaluated by management based on the reasonable useful life thereof and the significance of commercial resale value. Items not capitalised have been expensed to repairs and maintenance as the entity deems that there are no probable significant economic benefits associated with these items that will flow to the entity and therefore do not view these items as assets.

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7. Fleet, Plant and Equipment

7.1 Vehicle Fleet (White Fleet)

	31 March 2016 R'000	31 March 2015 R'000
Opening Balance – 1 April	3 190	1 676
Cost	3 618	1 761
Accumulated Depreciation	(428)	(85)
 <u>Movements:</u>		
Additions	-	1 857
Disposals	(626)	-
Transfer to Finance Lease Asset	-	-
Transfer from Finance Lease Asset	17 313	-
Depreciation	(523)	(343)
	19 354	3 190
 Closing Balance	 19 354	 3 190
Cost	20 305	3 618
Accumulated Depreciation	(951)	(428)

Additions

Additions in the current and prior year have been funded by the entity.

Transfers

Transfers to the finance lease asset occur when the vehicle is ready for transfer to the user department, resulting in the commencement of the lease period.

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7.2 Road Building Equipment (Yellow Fleet)

	31 March 2016 R'000	31 March 2015 R'000
Opening Balance – 1 April	184 187	194 676
Cost / Valuation	184 187	194 676
Accumulated Depreciation and impairment losses	-	-
Movements:		
Additions	9 324	-
Capitalisation	2 713	32 831
Donations Received	-	-
Disposals*	(10 428)	(705)
Cost	(10 865)	(2 169)
Accumulated Depreciation	437	1 464
Donation Made	-	-
Cost	-	-
Accumulated Depreciation	-	-
Assets Stolen	-	-
Cost	-	-
Accumulated Depreciation	-	-
Revaluation Deficit	-	(13 717)
Depreciation Expense	(16 066)	(28 898)
Impairment Loss Recognised in the Statement of Financial Performance	(-)	(-)
Closing Balance	169 730	184 187
Cost / Valuation	185 796	184 187
Accumulated Depreciation and impairment losses	(16 067)	-

Impairment loss

During the current period, no impairment loss occurred. Impairment losses normally occurs due to the write-down of certain equipment to their recoverable amount. The recoverable amount was based on the assets' fair value less costs to sell at period end. The fair value was not determined for the current year after taking into account current market values and market conditions at period end.

Additions

Additions in the current year were purchased and funded by the entity.

Ownership and control

Although assets within the white and yellow fleet are registered in the name of the Department of Roads and Public Works, the effective management, control and all rights and obligations of these assets remain with the Northern Cape Fleet Management Trading Entity, and are therefore recognised as assets of the Trading Entity. The entity is in the process of transferring the registration of these assets.

Revaluation

Road Building Equipment was revalued as at the end of March 2015 by an independent valuer.

Fair values were determined directly by reference to observable prices in an active market.

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7.3 Equipment and furniture

	31 March 2016 R'000	31 March 2015 R'000
Opening Balance – 1 April	519	102
Cost	668	118
Accumulated Depreciation	(149)	(16)
<u>Movements:</u>		
Additions	6 267	550
Depreciation	(983)	(133)
Disposals	-	-
	5 803	519
Closing Balance	5 803	519
Cost	6 935	668
Accumulated Depreciation	(1 132)	(149)

Total Fleet, Plant and Equipment

	31 March 2016 R '000
At Cost	214 116
Accumulated Depreciation	(18 150)
Net book Value	195 966

8. Intangible Assets

	31 March 2016 R'000	31 March 2015 R'000
Opening Balance – 1 April	40	50
Cost	50	50
Accumulated Depreciation	(10)	-
<u>Movements:</u>		
Additions	104	-
Depreciation	(20)	(10)
Disposals	-	-
	124	40
Closing Balance	124	40
Cost	154	50
Accumulated Depreciation	(30)	(10)

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9. Receivables from Exchange Transactions

	31 March 2016 R'000	31 March 2015 R'000
Department of Roads and Public Works	166 104	228 235
Other Provincial Departments	28 554	24 965
Other	8	3
	194 666	253 203

The age analysis of trade receivables is as follows:

Year	Total R'000	Current R'000	30 – 60 days R'000	60 – 90 days R'000	>90 days R'000
2016	194 666	17 074	19 297	16 955	141 340
2015	253 203	56 755	16 629	7 284	172 535

The age analysis of trade receivables provided for as impaired is as follows:

Year	Total R'000	> 120 Days R'000
2016	-	-
2015	-	-

Past due and not impaired trade receivables – no detailed breakdown is considered necessary. History has shown, that past due debts are generally recoverable through the assistance of Provincial Treasury.

10. Revaluation Surplus

	31 March 2016 R' 000	31 March 2015 R' 000
Non distributable reserves from revaluation		
Opening Balance	52 332	66 049
Revaluations	-	(13 717)
Transfer to accumulated surplus	-	-
Closing Balance	52 332	52 332

The revaluation surplus represents reserves from revaluations made during the 2014/15 financial year when the yellow fleet was revalued.

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11. Payables from Exchange Transactions

Trade and other payables	58 391	10 122
	<u>58 391</u>	<u>10 122</u>

12. Related Parties

Fleet Management Trading Entity is managed under the administration of the Department of Roads and Public Works. The following table provides the total amount of transactions, which have been entered into with related parties for the related financial year:

31 March 2016

Related Parties	Amount owed by/(to) related party at 31 March 2016	Amount owed by/(to) related party at 31 March 2015
	R'000	R'000
Department of Roads and Public Works	166 104	228 235
Department of Agriculture, Land Reform and Rural Development	3 574	1 695
Department of Cooperative Governance, Human Settlements and Traditional Affairs	624	317
Department of Economic Development & Tourism	(1 088)	(697)
Department of Education	(1 262)	530
Department of Environment and Nature Conservation	5 401	2 961
Department of Health	19 883	17 423
Office of the Premier	299	118
Provincial Treasury	171	316
Department of Social Development	2 183	1 285
Department of Sports, Art and Culture	(1 494)	644
Department of Transport, Safety and Liaison	271	372

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Terms and Conditions of Transactions with Related Parties

The services rendered to related parties are made on the same basis as those applicable to transactions with other Fleet Management User Departments. These transactions were done at market value. In the same way, services rendered by related parties to Fleet Management are rendered on the same terms and conditions as the transactions with other User Departments.

The Entity is provided with these means to operate and housed in facilities owned and controlled by the Northern Cape Department of Roads and Public Works.

The following key personnel from the Northern Cape Department of Roads and Public Works were involved with the management of the fleet:

- Mr. K. Nogwili - Head of Department
- Mr. B. Slingers - Acting Chief Financial Officer
- Mr. M.N. Bosch - Chief Executive Officer

13. Financial Risk Management Objectives and Policies

The Entity's principal financial liabilities comprise trade payables and accruals. The purpose of these financial liabilities is to raise finance for the Entity's operations. The Entity has various financial assets, such as trade receivables which arise directly from its operations.

It is, and has been throughout 2015/16 and 2015, the Entity's policy that no trading in derivatives shall be undertaken.

The main risk arising from the Entity's financial instruments is credit risk.

Credit Risk

The Entity trades only with recognised, creditworthy third parties. The Northern Cape Provincial Treasury assists Northern Cape Fleet Management Trading Entity in the recovery of debt from the different User Departments. In addition, receivable balances are monitored on an ongoing basis with the result that the Entity's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the entity.

Market Risk

Market risk is the risk that the value of a financial instrument will fluctuate with changing market prices whether caused by factors specific to the instrument or to general external market changes. The Entity has no financial instruments which are affected by changing market prices.

Liquidity Risk

Liquidity risk is the risk of the Entity defaulting on its financial obligations as a result of insufficient funding capacity in relation to such obligations. The Entity does not view this as a risk, in the view of the fact that it has sufficient assets to cover its liabilities. The Entity also has access to possible assistance from the Provincial Treasury, in terms of Treasury Regulation 19.5.

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The following are the contractual maturities of financial liabilities:

Payables from Exchange Transactions as at 31 March 2016			
	Carrying Amount	Contractual	Cash
	R'000	Flows	
		R'000	
Trade creditors	58 391	58 391	
Within 1 Year	58 391	58 391	

Payables from Exchange Transactions as at 31 March 2015			
	Carrying Amount	Contractual	Cash
	R'000	Flows	
		R'000	
Trade creditors	10 122	10 122	
Within 1 Year	10 122	10 122	

Foreign Currency Risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate with changes in foreign currency. The Entity has no financial instruments which are affected by changes in foreign currency, as it has no foreign currency transactions.

Interest Rate Risk

Interest rate risk stems from the risk associated with the Entity's exposure to changes within the interest rate, interest earned on cash balances and finance lease asset.

General Risk Management Principles

Risk management is of critical importance to the entity as it understands that changing market conditions make risk unavoidable.

Capital risk management

The Entity's objectives when managing capital are to safeguard the Entity's ability to continue as a going concern in order to provide benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Entity may sell assets to reduce debt.

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Fair value of Financial Instruments

The management of the entity is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the annual financial statements approximate their fair values. In accordance with GRAP 104 the Fair Values of Financial Assets and Financial Liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

	31 March		31 March	
	2016		2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	R	R	R	R
FINANCIAL ASSETS				
Amortised cost				
Finance lease receivable	35 522	35 522	42 477	42 277
Short-term portion of finance lease receivable	8 830	8 830	26 555	26 555
Receivables from exchange transactions	194 666	194 666	253 203	253 203
Cash and cash equivalents	86 288	86 288	27 260	27 260
Total Financial Assets	322 513	322 513	394 584	394 584
FINANCIAL LIABILITIES				
At amortised cost:				
Trade and Other Payables:				
- Accrued expenses	-	-	-	-
- Payables from exchange transactions	58 391	58 391	10 122	10 122
Total Financial Liabilities	58 391	58 391	10 122	10 122

14. Commitments (Capital)

At 31 March 2016 the entity had no capital commitments.

At 31 March 2015 the entity had no capital commitments.

**15. Finance Lease Receivables
Finance leases – Entity as lessor**

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The Entity has entered into finance leases for its motor vehicle fleet. These leases have remaining terms of 4 years. The future lease payments expected as at 31 March 2016 are as follows:

Gross investment in leases due	Gross Lease Payments	Unearned Finance Income	Net Present Value
	<i>R '000</i>	<i>R '000</i>	<i>R '000</i>
Amounts due within 1 year			
Amounts due within 2 – 5 years	21 567	(12 737)	8 830
	39 169	(3 647)	35 522
	60 736	(16 384)	44 352

Included in the gross lease payments are Unguaranteed Residual Values expected at the end of the lease of R22 966 million.

Present value of minimum lease payments due	Minimum Lease Payments
	<i>R '000</i>
Amounts due within 1 year	8 830
Amounts due within 2 – 5 years	35 522
	44 354

Rate review clause

The entity reviews rates annually according to Treasury Regulations 19.5.3 which states that "the head must review rates for user charges at least annually before the budget and any tariff increases are subject to approval by the relevant treasury."

The provincial treasury approved rates have an impact in the finance lease payments.

The future lease payments expected as at 31 March 2016 was as follows:

Gross investment in leases due	Gross Lease Payments	Unearned Finance Income	Net Present Value
	<i>R '000</i>	<i>R '000</i>	<i>R '000</i>
Amounts due within 1 year			
Amounts due within 2 – 5 years	41 186	(14 631)	26 555
	46 642	(4 365)	42 277
	87 828	(18 996)	68 832

Included in the gross lease payments are Unguaranteed Residual Values expected at the end of the lease of R41 985 million.

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Present value of minimum lease payments due	Minimum Lease Payments R '000
Amounts due within 1 year	26 555
Amounts due within 2 – 5 years	42 277
	68 832

16. Cash Generated from Operations

	31 March 2016 R'000	31 March 2015 R'000
(Deficit)/Surplus for the Period	(35 655)	55 237
Adjusted for:		
Interest Received	-	-
Impairment loss – Fleet	-	-
Depreciation - Fleet	17 594	29 418
Loss/(profit) on sale of vehicles	-	-
Disposal / Transfer to Finance Lease	-	-
Capital Portion on Finance Lease	-	-
Bad debt written off	-	-
Prior year correction	(6 559)	73 395
Operating Profit before Working Capital Changes	(24 620)	11 260
Working Capital Changes:	113 394	53 625
(Increase)/Decrease in Inventories	(22 971)	(20 618)
Decrease/(Increase) in Trade and Other Receivables	58 537	(28 175)
Increase/(Decrease) in Trade and Other Payables	48 269	(3 126)
Other working capital	24 480	61 653
Cash Generated from Operations	83 695	20 995

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17. Cash and Cash Equivalents

	31 March 2016 R'000	31 March 2015 R'000
Bank Account – ABSA	86 288	27 260
	86 288	27 260

18. Inventories

	31 March 2016 R'000	31 March 2015 R'000
Opening balance	20 618	-
Purchased during year	45 415	20 618
Moved to finance lease assets	(22 443)	-
Vehicles held for finance lease	43 590	20 618

19. Irregular expenditure

Reconciliation of irregular expenditure

	31 March 2016 R'000	31 March 2015 R'000
Opening balance	9 657	701
Add: Irregular Expenditure relating to prior year	-	-
Add: Irregular expenditure relating to current year	22 997	8 956
Less: Amounts condoned	-	-
Closing Balance	32 654	9 657

Further instances of Irregular Expenditure that might have resulted from non-compliance with the supply chain management processes are under investigation to determine the full extent of the amount.

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20. Fruitless and Wasteful Expenditure

	31 March 2016 R'000	31 March 2015 R'000
Opening balance	196	187
Add: Current year	98	9
	294	196

Fruitless and wasteful expenditure was incurred as a result of penalties and fines due to late payments of the licence fees to Department transport safety and liaison.

21. Change in accounting policy

No change occurred in accounting policy, in relation to the prior financial year or for the current financial year.

22. Operating Expenditure Commitments

	31 March 2016 R'000	31 March 2015 R'000
Opening balance	19 090	-
Paid	(19 090)	-
Goods and Services	-	19 090
	-	19 090

23. Contingent asset

	31 March 2016 R'000	31 March 2015 R'000
Opening balance	3 390	-
Claims	318	3 390
	3 708	3 390

There have been a number of claims against user departments.

The current standing of these claims is that letters have been dispatched to the user departments to pay the damages (includes repairs and or alternatively replacements cost). The best estimate of the total claims total R3,707,898. Should no response been received within reasonable time, the Accounting Officer will instruct the Office of the State Attorney to institute court proceedings.

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24. Contingent liability

	31 March 2016 R'000	31 March 2015 R'000
Opening balance	107	-
Claims against the NCFMTE	168	107
	275	107

A number of claims against the Entity amounting to R274 680 were received. Investigations are still under way to determine the probability of the contingent liability.

25. Going concern

Management is not aware of any matters or circumstances arising since the end of the financial year which was otherwise not dealt with in the Annual Financial Statements, which significantly affects the financial position of the Entity or the results of its operations. Management has assessed the financial position and related risk of the entity and have determined that the entity will still be in operation for at least the next twelve months.

26. Prior period error

The following errors occurred, in relation to the prior financial year, which necessitated corrective action in the current year. The error was corrected, retrospectively:

a) Depreciation of White fleet vehicles.

During the 2014/2015 financial year there was no depreciation written of for White fleet assets.

The effect of the above change in the annual financial statements is as follows:

	2015 R'000
Operating expenditure as at 31 March 2015 as previously stated	(165 275)
Depreciation	(343)
Operating expenditure restated as at 31 March 2015	(165 618)
Accumulated surplus as at 31 March 2015 as previously stated	542 192
Depreciation	(427)
Operating expenditure restated as at 31 March 2015	(541 765)

b) Inventories and intangible assets disclosed under Fleet, Plant and Equipment.

During the 2014/2015 financial year vehicles bought for Finance lease assets and intangible assets was disclosed under *Fleet plan and Equipment*.

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The effect of the above change in the annual financial statements is as follows:

	2015
	R'000
Fleet, Plant and Equipment at 31 March 2015 as previously stated	210 062
Intangible assets	(40)
Inventories	(20 618)
Accumulated depreciation	(429)
Fleet plant and Equipment restated as at 31 March 2015	<u>(188 975)</u>
Intangible assets at 31 March 2015 as previously stated	-
Fleet, Plant and Equipment	40
Intangible assets restated as at 31 March 2015	<u>40</u>
Inventories at 31 March 2015 as previously stated	-
Fleet, Plant and Equipment	20 618
Inventories restated as at 31 March 2015	<u>20 18</u>

c) Finance leases.

During the 2014/2015 financial year an error was identified on the finance leases as disclosed under receivables.

Revenue from Exchange Transactions - Sale of goods and services	(26 803 864.77)
Rental - Rental of equipment	<u>(1 217 659.80)</u>
Effect of statement of performance as at 31 March 2015	<u>(28 021 524.57)</u>
Non-Current Finance Lease Receivable	(1 585 793.83)
Non-Current Finance Lease Receivable	(9 435 720.96)
Non-Current Finance Lease Receivable	(11 502 508.50)
Finance Lease Receivable	(7 314 246.95)
Finance Lease Receivable	<u>(15 451 070.81)</u>
Effect on leases as at 31 March 2015	<u>(45 289 341.05)</u>
Accumulated Surplus or Deficit	73 310 865.62