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PART A

GENERAL INFORMATION

1.1. Departments General Information

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1.2. List of Abbreviation/ Acronyms

AO Accounting Officer LIM Labour Intensive Method APP Annual Performance Plan M&E Monitoring and Evaluation ACM Alternative Construction Methods MEC Member of Executive Council BAS Basic Accounting System MISS Minimum Information Security Standards C-AMP Custodian Immovable Asset Management Plan MTEF Medium Tarm Expenditure Framework BBBEE Broad Based Black Economic Empowerment MTS Medium Tarm Expenditure Framework CFD Chief Financial Officer NC Northern Cape Provincial Government CPI Construction Industry Development Board NCPG Northern Cape Frovincial Government CPI Construction Industry Development Report OHSA Occupational Health and Safety Act DAMP Department of Public Service and Administration PAIA Promotion of Access to Information Act DCA Data Quality Assurance PFMA Public Finance Management Act DRE Distric Road Engineerin POE Portfolio of Evidence EEE Engineering Buit Environment PPP Public Private Partmet			1	
ACM Atternative Construction Methods MEC Member of Executive Council BAS Basic Accounting System MISS Minimum Information Security Standards C-AMP Custodian Immovable Asset Management Plan MTEF Medium Term Expenditure Framework BBBEE Broad Based Black Economic Empowerment MTSF Medium Term Strategic Framework CFO Chief Financial Officer NC Northern Cape CIDB Construction Industry Development Board NCPG Northern Cape Provincial Government CPI Consumer Price Index NCPGDS Northern Cape CPI Consumer Price Index NCPGDS Northern Cape DAMP Departmental Asset Management Report OHSA Occupational Health and Safety Act DORA Division of Revenue Act PAIA Promotion of Access to Information Act DPA Department of Public Service and Administration PAJA Promotion of Just Administration Act DRA District Read Engineer PGDS Provincial Gowth and Development Strategy DRH Department of Roads and Public Works POE Portfolio of Evidence <tr< td=""><td>AO</td><td>Accounting Officer</td><td>LIM</td><td>Labour Intensive Method</td></tr<>	AO	Accounting Officer	LIM	Labour Intensive Method
BAS Basic Accounting System MISS Minimum Information Security Standards C-AMP Custodian Immovable Asset Management Plan MTEF Medium Term Expenditure Framework BBBEE Broad Based Black Economic Empowernent MTSF Medium Term Strategic Framework CFO Chief Financial Officer NC Northern Cape CIDB Construction Industry Development Board NCPG Northern Cape Provincial Government CPI Consumer Price Index NCPGDS Northern Cape Growth and Development Strategy CSD Central Supplier Database NYS National Youth Service DAMP Departmental Asset Management Report OHSA Occupational Health and Safety Act DDRA Division of Revenue Act PAIA Promotion of Access to Information Act DPSA Department of Public Service and Administration PAIA Promotion of Just Administration Act DRA District Road Engineer PGDS Provincial Growth and Development Strategy DRPW Department of Roads and Public Works POE Portfolio of Evidence EEBE Engineering Built Environment PPPP	APP	Annual Performance Plan	M&E	Monitoring and Evaluation
C-AMP Custodian Immovable Asset Management Plan MTEF Medium Term Expenditure Framework BBBEE Broad Based Black Economic Empowerment MTSF Medium Term Strategic Framework CFO Chief Financial Officer NC Northern Cape CIDB Construction Industry Development Board NCPG Northern Cape Growth and Development Strategy CPI Consumer Price Index NCPGDS Northern Cape Growth and Development Strategy DSD Central Supplier Database NYS National Youth Service DAMP Departmental Asset Management Report OHSA Occupational Health and Safety Act DRA Division of Revenue Act PAIA Promotion of Access to Information Act DQA Data Quality Assurance PFMA Public Finance Management Act DRE District Road Engineer PGDS Provincial Growth and Development Strategy DRPW Department of Roads and Public Works POE Portfolio of Evidence EBE Engineering Built Environment PPPP Public Private Partnership ECD Early Childhood Development Equity PSA Public Service	ACM	Alternative Construction Methods	MEC	Member of Executive Council
BBBEEBroad Based Black Economic EmpowermentMTSFMedium Term Strategic FrameworkCFOChief Financial OfficerNCNorthern CapeCIDBConstruction Industry Development BoardNCPGNorthern Cape Provincial GovernmentCPIConsumer Price IndexNCPGDSNorthern Cape Growth and Development StrategyCSDCentral Supplier DatabaseNYSNational Youth ServiceDAMPDepartmental Asset Management ReportOHSAOccupational Health and Safety ActDGRADivision of Revenue ActPAIAPromotion of Just Administration ActDQAData Quality AssurancePFMAPublic Finance Management ActDRDistrict Road EngineerPGDSProvincial Growth and Development StrategyDRPWDepartment of Roads and Public WorksPOEPortfolio of EvidenceEBEEngineering Built EnvironmentPPPPublic Private PartnershipECDEarly Childhood DevelopmentPPFAPreferential Procurement Policy Framework of SouthEFWExpanded Public Works ProgrammePRMGProvincial Roads Maintenance GrantFMCFinancial Misconduct CommitteeRISFSARoad Infrastructure Strategic Framework of SouthFMTFull Time EquivalentSABSSouth African Bureau of StandardsGIAMAGovernment Immovable Asset Management ActSCMSupply Chain ManagementFMCFinancial Misconduct CommitteeRISFSARoad Infrastructure Strategic Framework of SouthFMTFull Time EquivalentSABSSouth African Bureau of	BAS	Basic Accounting System	MISS	Minimum Information Security Standards
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CIDBConstruction Industry Development BoardNCPGNorthern Cape Provincial GovernmentCPIConsumer Price IndexNCPGDSNorthern Cape Growth and Development StrategyCSDCentral Supplier DatabaseNYSNational Youth ServiceDAMPDepartmental Asset Management ReportOHSAOccupational Health and Safety ActDORADivision of Revenue ActPAIAPromotion of Access to Information ActDPSADepartment of Public Service and AdministrationPAJAPromotion of Just Administration ActDQAData Quality AssurancePFMAPublic Finance Management ActDREDistrict Road EngineerPGDSPortolio of EvidenceEBEEngineering Built EnvironmentPPPPublic Private PartnershipECDEarly Childhood DevelopmentPPFAPreferential Procurement Policy Framework ActEEEmployment Equity ActRMCRisk Management CommitteeEFWPExpanded Public Works ProgrammePRMGProvincial Roads Maintenance GrantFMCFinancial Misconduct CommitteeRISFSARoad Infrastructure Strategic Framework of South AfricaFTEFull Time EquivalentSABSSouth African Bureau of StandardsGMTGovernment Immovable Asset Management ActSErVaSectoral Education and Training AuthorityHODHead of DepartmentSLAService Level AgreementHIMHuman ResourceSLAService Level AgreementHIMHuman ResourceSLAService Level AgreementHIMHistorica	BBBEE	Broad Based Black Economic Empowerment	MTSF	Medium Term Strategic Framework
CPIConsumer Price IndexNCPGDSNorthern Cape Growth and Development StrategyCSDCentral Supplier DatabaseNYSNational Youth ServiceDAMPDepartmental Asset Management ReportOHSAOccupational Health and Safety ActDORADivision of Revenue ActPAIAPromotion of Access to Information ActDPSADepartment of Public Service and AdministrationPAJAPromotion of Just Administration ActDQAData Quality AssurancePFMAPublic Finance Management ActDREDistrict Road EngineerPGDSProvincial Growth and Development StrategyDRWDepartment of Roads and Public WorksPOEPortfolio of EvidenceEBEEngineering Built EnvironmentPPPPublic Private PartnershipECDEarly Childhood DevelopmentPPFAPreferential Procurement Policy Framework ActEEEmployment Equity ActRMCRisk Management CommitteeEPWPExpanded Public Works ProgrammePRMGProvincial Roads Maintenance GrantFMCFinancial Misconduct CommitteeRISFSARoad Infrastructure Strategic Framework of South AfricaGMTGovernment Immovable Asset Management ActSCMSupply Chain ManagementHODHead of DepartmentSME'sSmall, Micro, & Medium EnterprisesHRHuman ResourceSLAService Level AgreementHDIHistorically Disadvantaged IndividualsTMHTechnical Methods for HighwaysIARImmovable Asset RegisterU-AIPVisual Condition IndexH	CFO	Chief Financial Officer	NC	Northern Cape
CSDCentral Supplier DatabaseNYSNational Youth ServiceDAMPDepartmental Asset Management ReportOHSAOccupational Health and Safety ActDORADivision of Revenue ActPAIAPromotion of Access to Information ActDPSADepartment of Public Service and AdministrationPAJAPromotion of Just Administration ActDQAData Quality AssurancePFMAPublic Finance Management ActDREDistrict Road EngineerPGDSProvincial Growth and Development StrategyDRWDepartment of Roads and Public WorksPOEPortfolio of EvidenceEBEEngineering Built EnvironmentPPPPublic Private PartnershipECDEarly Childhood DevelopmentPPFAPreferential Procurement Policy Framework ActEEEmployment Equity ActRMCRisk Management CommitteeEVPWExpanded Public Works ProgrammePRMGProvincial Roads Maintenance GrantFMCFinancial Misconduct CommitteeRISFSARoad Infrastructure Strategic Framework of South AfricaFTEFull Time EquivalentSABSSouth African Bureau of StandardsGIAMAGovernment Immovable Asset Management ActSCMSupply Chain ManagementHDHead of DepartmentSIAService Level AgreementHDHuman ResourceSLAService Level AgreementHDHistorically Disadvantaged IndividualsTMHTechnical Methods for HighwaysIARImmovable Asset RegisterU-AMPUser Immovable Asset Management PlanICTIn	CIDB	Construction Industry Development Board	NCPG	Northern Cape Provincial Government
DAMPDepartmental Asset Management ReportOHSAOccupational Health and Safety ActDORADivision of Revenue ActPAIAPromotion of Access to Information ActDPSADepartment of Public Service and AdministrationPAJAPromotion of Just Administration ActDQAData Quality AssurancePFMAPublic Finance Management ActDREDistrict Road EngineerPGDSProvincial Growth and Development StrategyDRPWDepartment of Roads and Public WorksPOEPortfolio of EvidenceEBEEngineering Built EnvironmentPPPPublic Private PartnershipECDEarly Childhood DevelopmentPPPFAPreferential Procurement Policy Framework ActEEEmployment Equity ActRMCRisk Management CommitteeEPWPExpanded Public Works ProgrammePRMGProvincial Roads Maintenance GrantFMCFinancial Misconduct CommitteeRISFSARoad Infrastructure Strategic Framework of South AfricaFTEFull Time EquivalentSABSSouth African Bureau of StandardsGIAMAGovernment Immovable Asset Management ActSCMSupply Chain ManagementHDHead of DepartmentSIAService Level AgreementHDIHistorically Disadvantaged IndividualsTMHTechnical Methods for HighwaysIARImmovable Asset RegisterU-AMPUser Immovable Asset Management PlanICTInformation Communication TechnologyVCIVisual Condition IndexIDPIntegrated Development PlanWOEWomen Owned Enterprise	CPI	Consumer Price Index	NCPGDS	Northern Cape Growth and Development Strategy
DORADivision of Revenue ActPAIAPromotion of Access to Information ActDPSADepartment of Public Service and AdministrationPAJAPromotion of Just Administration ActDQAData Quality AssurancePFMAPublic Finance Management ActDREDistrict Road EngineerPGDSProvincial Growth and Development StrategyDRWDepartment of Roads and Public WorksPOEPortfolio of EvidenceEBEEngineering Built EnvironmentPPPPublic Private PartnershipECDEarly Childhood DevelopmentPPPFAPreferential Procurement Policy Framework ActEEEmployment Equity ActRMCRisk Management CommitteeEVPVExpanded Public Works ProgrammePRMGProvincial Roads Maintenance GrantFMCFinancial Misconduct CommitteeRISFSARoad Infrastructure Strategic Framework of South AfricaFTEFull Time EquivalentSABSSouth African Bureau of StandardsGIAMAGovernment Immovable Asset Management ActSCMSupply Chain ManagementHDDHead of DepartmentSLAService Level AgreementHDIHistorically Disadvantaged IndividualsTMHTechnical Methods for HighwaysIARImmovable Asset RegisterU-AMPUser Immovable Asset Management PlanICTInformation Communication TechnologyVCIVisual Condition IndexIDPIntegrated Development PlanWOEWomen Owned Enterprise	CSD	Central Supplier Database	NYS	National Youth Service
DPSADepartment of Public Service and AdministrationPAJAPromotion of Just Administration ActDQAData Quality AssurancePFMAPublic Finance Management ActDREDistrict Road EngineerPGDSProvincial Growth and Development StrategyDRPWDepartment of Roads and Public WorksPOEPortfolio of EvidenceEBEEngineering Built EnvironmentPPPPublic Private PartnershipECDEarly Childhood DevelopmentPPPAPreferential Procurement Policy Framework ActEEEmployment EquityPSAPublic Service ActEAAEmployment Equity ActRMCRisk Management CommitteeEVWPExpanded Public Works ProgrammePRMGProvincial Roads Maintenance GrantFMCFinancial Misconduct CommitteeRISFSARoad Infrastructure Strategic Framework of South AfricaFTEFull Time EquivalentSABSSouth African Bureau of StandardsGIAMAGovernment Immovable Asset Management ActSCMSupply Chain ManagementHDDHead of DepartmentSME'sSmall, Micro, & Medium EnterprisesHRHuman ResourceSLAService Level AgreementHDIHistorically Disadvantaged IndividualsTMHTechnical Methods for HighwaysIARInformation Communication TechnologyVCIVisual Condition IndexIDPIntegrated Development PlanWOEWomen Owned EnterpriseIGPInfrastructure Grant to ProvincesWBSWeb Based System	DAMP	Departmental Asset Management Report	OHSA	Occupational Health and Safety Act
DQAData Quality AssurancePFMAPublic Finance Management ActDREDistrict Road EngineerPGDSProvincial Growth and Development StrategyDRPWDepartment of Roads and Public WorksPOEPortfolio of EvidenceEBEEngineering Built EnvironmentPPPPublic Private PartnershipECDEarly Childhood DevelopmentPPPAPreferential Procurement Policy Framework ActEEEmployment EquityPSAPublic Service ActEAAEmployment Equity ActRMCRisk Management CommitteeEVPVExpanded Public Works ProgrammePRMGProvincial Roads Maintenance GrantFMCFinancial Misconduct CommitteeRISFSARoad Infrastructure Strategic Framework of South AfricaFTEFull Time EquivalentSABSSouth African Bureau of StandardsGIAMAGovernment Immovable Asset Management ActSCMSupply Chain ManagementHDDHead of DepartmentSIAService Level AgreementHDIHistorically Disadvantaged IndividualsTMHTechnical Methods for HighwaysIARImmovable Asset RegisterU-AMPUser Immovable Asset Management PlanICTInfrastructure Grant to ProvincesWOEWomen Owned EnterpriseIBPIntegrated Development PlanWOEWomen Owned Enterprise	DORA	Division of Revenue Act	PAIA	Promotion of Access to Information Act
DREDistrict Road EngineerPGDSProvincial Growth and Development StrategyDRPWDepartment of Roads and Public WorksPOEPortfolio of EvidenceEBEEngineering Built EnvironmentPPPPublic Private PartnershipECDEarly Childhood DevelopmentPPPFAPreferential Procurement Policy Framework ActEEEmployment EquityPSAPublic Service ActEEAEmployment Equity ActRMCRisk Management CommitteeEPWPExpanded Public Works ProgrammePRMGProvincial Roads Maintenance GrantFMCFinancial Misconduct CommitteeRISFSARoad Infrastructure Strategic Framework of South AfricaFTEFull Time EquivalentSABSSouth African Bureau of StandardsGIAMAGovernment Immovable Asset Management ActSCMSupply Chain ManagementGMTGovernment Motor TransportSETASectoral Education and Training AuthorityHODHead of DepartmentSME'sSmall, Micro, & Medium EnterprisesHRHuman ResourceSLAService Level AgreementHDIHistorically Disadvantaged IndividualsTMHTechnical Methods for HighwaysIARImmovable Asset RegisterU-AMPUser Immovable Asset Management PlanICTInformation Communication TechnologyVCIVisual Condition IndexIDPIntegrated Development PlanWOEWomen Owned EnterpriseIGPInfrastructure Grant to ProvincesWBSWeb Based System	DPSA	Department of Public Service and Administration	PAJA	Promotion of Just Administration Act
DRPWDepartment of Roads and Public WorksPOEPortfolio of EvidenceEBEEngineering Built EnvironmentPPPPublic Private PartnershipECDEarly Childhood DevelopmentPPPFAPreferential Procurement Policy Framework ActEEEmployment EquityPSAPublic Service ActEEAEmployment Equity ActRMCRisk Management CommitteeEPWPExpanded Public Works ProgrammePRMGProvincial Roads Maintenance GrantFMCFinancial Misconduct CommitteeRISFSARoad Infrastructure Strategic Framework of South AfricaFTEFull Time EquivalentSABSSouth African Bureau of StandardsGIAMAGovernment Immovable Asset Management ActSCMSupply Chain ManagementGMTGovernment Motor TransportSETASectoral Education and Training AuthorityHODHead of DepartmentSMME'sSmall, Micro, & Medium EnterprisesHRHuman ResourceSLAService Level AgreementHDIHistorically Disadvantaged IndividualsTMHTechnical Motods for HighwaysIARImmovable Asset RegisterU-AMPUser Immovable Asset Management PlanICTInformation Communication TechnologyVCIVisual Condition IndexIDPIntegrated Development PlanWOEWomen Owned EnterpriseIGPInfrastructure Grant to ProvincesWBSWeb Based System	DQA	Data Quality Assurance	PFMA	Public Finance Management Act
EBEEngineering Built EnvironmentPPPPublic Private PartnershipECDEarly Childhood DevelopmentPPPFAPreferential Procurement Policy Framework ActEEEmployment EquityPSAPublic Service ActEEAEmployment Equity ActRMCRisk Management CommitteeEPWPExpanded Public Works ProgrammePRMGProvincial Roads Maintenance GrantFMCFinancial Misconduct CommitteeRISFSARoad Infrastructure Strategic Framework of South AfricaFTEFull Time EquivalentSABSSouth African Bureau of StandardsGIAMAGovernment Immovable Asset Management ActSCMSupply Chain ManagementGMTGovernment Motor TransportSETASectoral Education and Training AuthorityHRHuman ResourceSLAService Level AgreementHDIHistorically Disadvantaged IndividualsTMHTechnical Methods for HighwaysIARImmovable Asset RegisterU-AMPUser Immovable Asset Management PlanICTInformation Communication TechnologyVCIVisual Condition IndexIDPIntegrated Development PlanWOEWomen Owned EnterpriseIGPInfrastructure Grant to ProvincesWBSWeb Based System	DRE	District Road Engineer	PGDS	Provincial Growth and Development Strategy
ECDEarly Childhood DevelopmentPPPFAPreferential Procurement Policy Framework ActEEEmployment EquityPSAPublic Service ActEEAEmployment Equity ActRMCRisk Management CommitteeEPWPExpanded Public Works ProgrammePRMGProvincial Roads Maintenance GrantFMCFinancial Misconduct CommitteeRISFSARoad Infrastructure Strategic Framework of South AfricaFTEFull Time EquivalentSABSSouth African Bureau of StandardsGIAMAGovernment Immovable Asset Management ActSCMSupply Chain ManagementGMTGovernment Motor TransportSETASectoral Education and Training AuthorityHODHead of DepartmentSMME'sSmall, Micro, & Medium EnterprisesHRHuman ResourceSLAService Level AgreementHDIHistorically Disadvantaged IndividualsTMHTechnical Methods for HighwaysIARImmovable Asset RegisterU-AMPUser Immovable Asset Management PlanICTInformation Communication TechnologyVCIVisual Condition IndexIDPIntegrated Development PlanWOEWomen Owned EnterpriseIGPInfrastructure Grant to ProvincesWBWeb Based System	DRPW	Department of Roads and Public Works	POE	Portfolio of Evidence
EEEmployment EquityPSAPublic Service ActEEAEmployment Equity ActRMCRisk Management CommitteeEPWPExpanded Public Works ProgrammePRMGProvincial Roads Maintenance GrantFMCFinancial Misconduct CommitteeRISFSARoad Infrastructure Strategic Framework of South AfricaFTEFull Time EquivalentSABSSouth African Bureau of StandardsGIAMAGovernment Immovable Asset Management ActSCMSupply Chain ManagementGMTGovernment Motor TransportSETASectoral Education and Training AuthorityHODHead of DepartmentSMME'sSmall, Micro, & Medium EnterprisesHRHuman ResourceSLAService Level AgreementHDIHistorically Disadvantaged IndividualsTMHTechnical Methods for HighwaysIARImmovable Asset RegisterU-AMPUser Immovable Asset Management PlanICTInformation Communication TechnologyVCIVisual Condition IndexIDPIntegrated Development PlanWOEWomen Owned EnterpriseIGPInfrastructure Grant to ProvincesWBSWeb Based System	EBE	Engineering Built Environment	PPP	Public Private Partnership
EEAEmployment Equity ActRMCRisk Management CommitteeEPWPExpanded Public Works ProgrammePRMGProvincial Roads Maintenance GrantFMCFinancial Misconduct CommitteeRISFSARoad Infrastructure Strategic Framework of South AfricaFTEFull Time EquivalentSABSSouth African Bureau of StandardsGIAMAGovernment Immovable Asset Management ActSCMSupply Chain ManagementGMTGovernment Motor TransportSETASectoral Education and Training AuthorityHODHead of DepartmentSMME'sSmall, Micro, & Medium EnterprisesHRHuman ResourceSLAService Level AgreementHDIHistorically Disadvantaged IndividualsTMHTechnical Methods for HighwaysIARImmovable Asset RegisterU-AMPUser Immovable Asset Management PlanICTInformation Communication TechnologyVCIVisual Condition IndexIDPIntegrated Development PlanWOEWomen Owned EnterpriseIGPInfrastructure Grant to ProvincesWBSWeb Based System	ECD	Early Childhood Development	PPPFA	Preferential Procurement Policy Framework Act
EPWPExpanded Public Works ProgrammePRMGProvincial Roads Maintenance GrantFMCFinancial Misconduct CommitteeRISFSARoad Infrastructure Strategic Framework of South AfricaFTEFull Time EquivalentSABSSouth African Bureau of StandardsGIAMAGovernment Immovable Asset Management ActSCMSupply Chain ManagementGMTGovernment Motor TransportSETASectoral Education and Training AuthorityHODHead of DepartmentSMME'sSmall, Micro, & Medium EnterprisesHRHuman ResourceSLAService Level AgreementHDIHistorically Disadvantaged IndividualsTMHTechnical Methods for HighwaysIARImmovable Asset RegisterU-AMPUser Immovable Asset Management PlanICTInformation Communication TechnologyVCIVisual Condition IndexIDPIntegrated Development PlanWOEWomen Owned EnterpriseIGPInfrastructure Grant to ProvincesWBSWeb Based System	EE	Employment Equity	PSA	Public Service Act
FMCFinancial Misconduct CommitteeRISFSARoad Infrastructure Strategic Framework of South AfricaFTEFull Time EquivalentSABSSouth African Bureau of StandardsGIAMAGovernment Immovable Asset Management ActSCMSupply Chain ManagementGMTGovernment Motor TransportSETASectoral Education and Training AuthorityHODHead of DepartmentSMME'sSmall, Micro, & Medium EnterprisesHRHuman ResourceSLAService Level AgreementHDIHistorically Disadvantaged IndividualsTMHTechnical Methods for HighwaysIARImmovable Asset RegisterU-AMPUser Immovable Asset Management PlanICTInformation Communication TechnologyVCIVisual Condition IndexIDPIntegrated Development PlanWOEWomen Owned EnterpriseIGPInfrastructure Grant to ProvincesWBSWeb Based System	EEA	Employment Equity Act	RMC	Risk Management Committee
FindFinancial Misconduct CommitteeRISESAAfricaFTEFull Time EquivalentSABSSouth African Bureau of StandardsGIAMAGovernment Immovable Asset Management ActSCMSupply Chain ManagementGMTGovernment Motor TransportSETASectoral Education and Training AuthorityHODHead of DepartmentSMME'sSmall, Micro, & Medium EnterprisesHRHuman ResourceSLAService Level AgreementHDIHistorically Disadvantaged IndividualsTMHTechnical Methods for HighwaysIARImmovable Asset RegisterU-AMPUser Immovable Asset Management PlanICTInformation Communication TechnologyVCIVisual Condition IndexIDPIntegrated Development PlanWOEWomen Owned EnterpriseIGPInfrastructure Grant to ProvincesWBSWeb Based System	EPWP	Expanded Public Works Programme	PRMG	Provincial Roads Maintenance Grant
FTEFull Time EquivalentSABSSouth African Bureau of StandardsGIAMAGovernment Immovable Asset Management ActSCMSupply Chain ManagementGMTGovernment Motor TransportSETASectoral Education and Training AuthorityHODHead of DepartmentSMME'sSmall, Micro, & Medium EnterprisesHRHuman ResourceSLAService Level AgreementHDIHistorically Disadvantaged IndividualsTMHTechnical Methods for HighwaysIARImmovable Asset RegisterU-AMPUser Immovable Asset Management PlanICTInformation Communication TechnologyVCIVisual Condition IndexIDPIntegrated Development PlanWOEWomen Owned EnterpriseIGPInfrastructure Grant to ProvincesWBSWeb Based System	FMC	Financial Misconduct Committee	RISFSA	
GMTGovernment Motor TransportSETASectoral Education and Training AuthorityHODHead of DepartmentSMME'sSmall, Micro, & Medium EnterprisesHRHuman ResourceSLAService Level AgreementHDIHistorically Disadvantaged IndividualsTMHTechnical Methods for HighwaysIARImmovable Asset RegisterU-AMPUser Immovable Asset Management PlanICTInformation Communication TechnologyVCIVisual Condition IndexIDPIntegrated Development PlanWOEWomen Owned EnterpriseIGPInfrastructure Grant to ProvincesWBSWeb Based System	FTE	Full Time Equivalent	SABS	
HODHead of DepartmentSMME'sSmall, Micro, & Medium EnterprisesHRHuman ResourceSLAService Level AgreementHDIHistorically Disadvantaged IndividualsTMHTechnical Methods for HighwaysIARImmovable Asset RegisterU-AMPUser Immovable Asset Management PlanICTInformation Communication TechnologyVCIVisual Condition IndexIDPIntegrated Development PlanWOEWomen Owned EnterpriseIGPInfrastructure Grant to ProvincesWBSWeb Based System	GIAMA	Government Immovable Asset Management Act	SCM	Supply Chain Management
HRHuman ResourceSLAService Level AgreementHDIHistorically Disadvantaged IndividualsTMHTechnical Methods for HighwaysIARImmovable Asset RegisterU-AMPUser Immovable Asset Management PlanICTInformation Communication TechnologyVCIVisual Condition IndexIDPIntegrated Development PlanWOEWomen Owned EnterpriseIGPInfrastructure Grant to ProvincesWBSWeb Based System	GMT	Government Motor Transport	SETA	Sectoral Education and Training Authority
HDI Historically Disadvantaged Individuals TMH Technical Methods for Highways IAR Immovable Asset Register U-AMP User Immovable Asset Management Plan ICT Information Communication Technology VCI Visual Condition Index IDP Integrated Development Plan WOE Women Owned Enterprise IGP Infrastructure Grant to Provinces WBS Web Based System	HOD	Head of Department	SMME's	Small, Micro, & Medium Enterprises
IAR Immovable Asset Register U-AMP User Immovable Asset Management Plan ICT Information Communication Technology VCI Visual Condition Index IDP Integrated Development Plan WOE Women Owned Enterprise IGP Infrastructure Grant to Provinces WBS Web Based System	HR	Human Resource	SLA	Service Level Agreement
ICT Information Communication Technology VCI Visual Condition Index IDP Integrated Development Plan WOE Women Owned Enterprise IGP Infrastructure Grant to Provinces WBS Web Based System	HDI	Historically Disadvantaged Individuals	ТМН	Technical Methods for Highways
IDP Integrated Development Plan WOE Women Owned Enterprise IGP Infrastructure Grant to Provinces WBS Web Based System	IAR	Immovable Asset Register	U-AMP	User Immovable Asset Management Plan
IGP Infrastructure Grant to Provinces WBS Web Based System	ICT	Information Communication Technology	VCI	Visual Condition Index
	IDP	Integrated Development Plan	WOE	Women Owned Enterprise
IPMP Infrastructure Project Management Plan WO Work Opportunity	IGP	Infrastructure Grant to Provinces	WBS	Web Based System
	IPMP	Infrastructure Project Management Plan	WO	Work Opportunity

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	IRS	Internal Revenue Service	WSP	Workplace Skills Plan

1.3. FORWARD BY THE MEC

I hereby present the Annual report of the Department of Roads and Public Works for the 2019/20 financial year which is the last year of the 2015-2019 medium-term expenditure framework (MTSF) period and the vision of the 6th Administration of our government. The Department and its Fleet Management Trading Entity illustrated good governance with institutional characteristics clearly displayed in its audit outcomes.

The Department and its Entity are delighted to achieve an unqualified report as per the audit criteria used by the Office of the Auditor-General (AGSA). This provides a foundation to further improve towards a clean audit over the next medium term period. Areas of concern identified in the Auditors' report will be vigorously interrogated and addressed through intensive action in its audit action plan.

The department therefore completed 15 social infrastructure projects and 10 roads infrastructure (reseal, re-gravelling and upgrading) projects and thus we remain a catalyst in socio-economic transformation with the aim to create jobs through our infrastructure delivery projects. During the period under review, the Department achieved (87%) 5227 work opportunities against a total target of 6000. As part of our EPWP, we also successfully implemented the various skills and contractor development flagship programs through training programs in partnership with the mining houses, technical companies and other institutions of higher learning.

This year also gave birth for the re-modelling of the Department and a feasibility study for the establishment of a state-owned company and in quest to be the sole infrastructure implementer. The aim of this process is to ensure full control of the infrastructure value chain and create and promote a systems process where there will be efficiency social infrastructure service delivery. This process is in a concept stage and we have since planned an infrastructure summit which will allow us to solicit strategic inputs in preparation for the restructuring of the department. It is unfortunate that during the last quarter of implementation of the 2019/2020 financial year, the world was stricken by the Covid-19 pandemic and some of the departmental operations were halted and has affected some key achievements, namely building infrastructure and EPWP work opportunities and its projects. The department will therefore undergo a process of name change which will be in line with the restructuring process to be concluded in the next financial year.

Lastly, I want to thank our stakeholders, the staff and the management of the Department of Roads and Public Works and the Entity for their hard work in ensuring we achieve our mandate in quest for a modern, growing and successful province.

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MS. F.B.P MAKATONG EXECUTIVE AUTHORITY: ROADS AND PUBLIC WORKS DATE: 30 OCTOBER 2020

1.4. REPORT OF THE ACCOUNTING OFFICER

The Department operated on a budget of R1.9 billion for the financial year of which 73% is allocated for roads infrastructure which translates into EPWP job creation. More efforts were made in supporting SMME's and BBBEE's and the department has achieved 97% on 30 day payments to creditors to ensure sustainability and creating an enabling environment for business by reducing the rate of late payments to suppliers. The department also trained SMME's through the contractor and project management development programme and a total of 279 Youth enrolled on various Artisan Apprenticeship Programmes namely:

- Learnerships and Artisan programmes where 450 learners;
- A total of 279 youth enrolled in various apprenticeships;
- A total of 171 youth enrolled in various learnerships;
- A total of 60 youth trained on capacity building and entrepreneurship (Short Skills).

With regard to Public Works Infrastructure, various social infrastructure projects were successfully completed and the province participated in the Shared Water Efficiency Program set up by National Public Works and 30 properties have already been identified for this project. New projects already have a number of green initiatives incorporated in their designs (Geo-thermal Heating and Cooling Technologies at the New De Aar Hospital, Solar water heaters and water chillers with heat exchangers at the Dr Harry Surtie Hospital in Upington, etc.). The department disposed all non-strategic assets at a value of over R44 million.

The Roads Infrastructure reported the provincial Visual Condition Index (VCI) at 69% which is a slight improvement compared to previous year's 68%. We completed 70 180 km road maintenance projects across province (gravel roads bladed) and 21 702.38 sq meters road maintenance across province (blacktop patching).

During the last quarter of this financial year, the departments operations were halted due to the Covid-19 pandemic and unfortunately some of its resources had to be re-directed towards funding Covid-19 priority areas. As the secondary sector of the economy, the infrastructure sector has been hit the hardest especially since it supports the social sector. This means more jobs could be lost and work opportunities have not been achieved due to halting of infrastructure projects.

Moving forward, we need to put all our efforts, skills and resources to make the province a modern, growing and successful province for the benefit of its citizens. We thank the officials and all our stakeholders for the dedication, efforts and contributions towards us achieving our objectives.

- Overview of financial results of the department

Departmental receipts

	2019/20			2018/19		
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	2 563	1 706	857	2 430	1 706	724
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	1 125	(1 125)	-	407	(407)
Total	2 563	2 831	(268)	2 430	2 113	317

Leasing of State housing and Leasing of government buildings: Agreements are entered into at market-related tariffs or as approved otherwise by the Provincial Treasury as contemplated in the Public Finance Management Act, 1999 (Act 1 of 1999 as amended).

• Tariff

The fees charged and recovered for services rendered by 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. The department was also granted approval by Provincial Treasury to charge R1 to non-government organisations (NGO's).
- Request for access to Information

9

- Trading accounts. The basic principle of cost recovery is adhered to in the calculation of trading account tariffs.

• Programme Expenditure

	2019/20			2018/19			
Programme Name	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	
Administration	159 419	158 834	585	155 043	155 002	41	
Public works	237 021	237 011	10	158 290	158 254	36	
Transport Infrastructure	1 393 421	1 393 413	8	1 354 415	1 354 393	22	
Community Based Programme	123 626	123 621	5	120 196	120 189	7	
Total	1 913 487	1 912 879	608	1 787 944	1 787 838	106	

The final appropriation for the 2019/20 financial year for the Department of Roads and Public Works was R1,913 billion. The Department spent 100 per cent of the budget.

The original provision for COE in the Department was determined based on the cost of filled positions plus provision for the filling of a limited number of critical posts, mainly in the road infrastructure components. The underspending on COE was mainly due to vacancies not being filled within the planned timeframe, as well as natural attrition of the staff complement, the cost of which also impacted on related goods and services items.

• Virement

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

The virements were possible largely because there was under-spending across all programmes against *Compensation of employees*, mainly due to delays in the filling of critical vacant posts, because of lengthy recruitment processes.

The table below shows the approved virements.

Main Div	Reason		
	From	То	RedSoll
	R'000	R'000	
Administration	9 069		Savings on compensation of employees shifted to goods and services in Programme 2 and goods and services as well as buildings and other fixed structures in Programme 3.
Public Works		6 929	Overspending on Infrastructure and Planning services.
Transport Infrastructure		2 699	Overspending on Infrastructure and Planning services and Other fixed structures.
Community Based Programme	559		Savings on buildings and other fixed structures.

• Unauthorised, Fruitless and Wasteful Expenditure

Unauthorised Expenditure

DESCRIPTION	FINANCIAL YEAR	AMOUNT	REASON
Mittah Seperepere Convention Centre	2011/2012	26,890,775.26	The over spending is as result of the two unfunded mandates. The Maloof Skate and the Big Hole Conference Centre, which the department had to build

Actions taken

- The department has introduced the Financial Misconduct Committee years ago to deal with issues relating to Irregular and wasteful expenditure;
 - 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.
 - Warning letters were issued to officials who did not comply with SCM procedures during the 2019/2020 financial year.

• Future plans of the department

- The department will be hosting an Infrastructure Summit from 02-04 December 2020;
- Restructuring and remodeling of the department;
- Renaming of the department;
- Finalization of the feasibility study for the establishment of the state-owned company;

- Create an environment for more labour-intensive production methods, procurement policies that support local jobs and building public-private partnerships;
- Increase the intake for target groups in the skills development programs focusing on artisanship programs and contractor development and also increase the intake of work opportunities for target groups;
- We continue the reseal program to improve the road condition of our paved roads.

• Supply Chain Management

SCM processes and systems to prevent irregular expenditure

- Procurement of goods and services is done in accordance with the prescribed threshold values by the PPPFA and Treasury Regulations.
- Procurement delegations are implemented and monitored regularly.
- Invitation of competitive bids for threshold values above R500 000.00 are all advertise on
 E-Portal to ensure that equal opportunities are given to all suppliers to compete.
- Check the completeness of SBD 4 to ensure that service providers declare their interest and verify ID numbers of the directors on the Persal System.
- Verify VAT Registration of suppliers on the SARS Website to ensure that service providers who claim VAT are duly registered.
- Verify the status of CIDB grading of service providers on the CIDB Website to ensure that the status is active prior to awards.
- Proper safekeeping and management of contract records to confirm that awards made are in accordance with the requirements of SCM legislation and prescripts.
- Implemented and monitor transaction checklists to ensure compliance with SCM prescripts.

• Events after the reporting date

- A new Member of Executive Council was appointed as from 01 July 2020.
- The World Health Organization declared COVID-19 a pandemic on 11 March 2020. In response, the South African Government classified COVID-19 as a national disaster and issued additional regulations and directions to curtail the disaster. The department has been

requested by the Department of Health and Department of Education to perform refurbishment of quarantine sites and disinfection and decontamination of affected schools.

• Other

Trading entities and public entities

The department has the following trading account which is the Northern Cape Fleet Management Trading Entity. The Fleet Management Trading Entity is responsible for the acquiring for all fleet requirements for provincial departments in the province. The fleet is hired out to all the departments in the province and is charged on a daily basis depending on the type of vehicle. The Department provides services to the Northern Cape Fleet Management Trading Entity in the form of personnel, facilities and other administrative support.

- The HOD of the department is accountable for the trading Entity. The day-to-day running of the operations was delegated to the Acting Chief Executive Officer (CEO) and separate financial statements and performance information 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 GRAP (Generally Recognised Accounting Practices) in terms of Treasury Regulation 18.2.
- The Entity charges both a daily and kilometre tariff on vehicles and this is the fourth year that provincial departments have been charged a daily tariff. The income derived from the tariffs is used to cover the replacement, running and maintenance costs of the vehicles as well as the overhead expenses of the Entity.
- The Entity operates in terms of a policy whereby vehicles are renewed at the end of its specific economical lifecycle. Due to a shortfall of capital funds in the past, the replacement programme fell behind, but good progress has since been made and indications are that the backlog will be eliminated within the following coming years.

• Performance information

The performance of the department is linked between the National Development Plan, Outcomes 4 & 6, Strategic Plan and its Operational Plan and the Budget Statement. The performance

agreements of senior managers are linked to the operational plan. We submitted, quarterly performance reports in the prescribed form to Office of the Premier and the Provincial legislature. All the quarterly reports culminate into an Annual Report. The department's performance improved and this is as a result of improved controls and more projects implemented by public bodies which increased the work opportunities created. The complete and comprehensive report on the performance of the Department is captured on the Annual Report.

• Sign-off and acknowledgement

This report was measured against the 2019/20 annual performance plan and by the Strategic Plan (2015/16-2019/20) which is aligned to departmental activities, outputs and goals with provincial and national policy priorities and the budget. I therefore 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 the Acting Accounting Officer; and
- Accurately reflects the goals and achievements for the financial year 2019/20.

1.5. 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 engaged to express an independent opinion on the annual financial statements.

The annual report reflects the performance information, the human resources information and the financial information of both the department and its trading entity for the financial year ended 31 March 2020.

Yours faithfully

Accounting Officer (Acting) Name: R. Grewan Date:30 October 2020

1.6. Strategic Overview

Vision

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

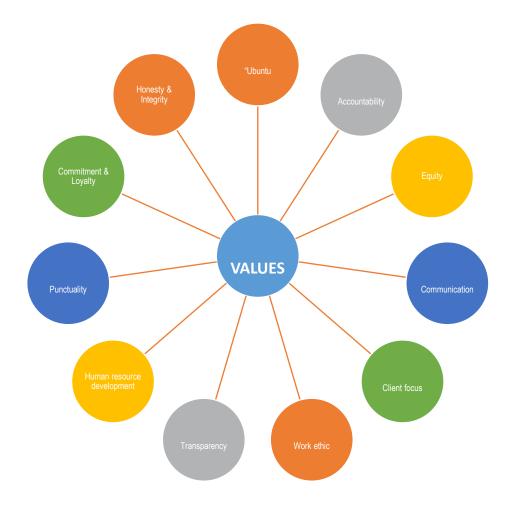
Mission

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

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.



1.7. 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.

1.7.1 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.

1.7.2 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. 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 No. 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, 55 of 1998, promoting 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, 66 of 1995, ensuring sound labour practices within departments.

National Land Transport Act, 22 of 2000, ensuring 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, HIV/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, **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, 103 of 1994 and Regulations sets out the employments laws for members of the public service and those who are potential public servants 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, 5 of 2000 and Preferential Procurement Regulations 2017, providing specific guidelines in allocating tenders to historically disadvantaged individuals and entities.

Promotion of Access to Information Act (PAIA), 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, 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 be given reasons.

Skills Development Act, 97 of 1998, providing for training and skills development and committing departments to the spending of prescribed amounts on training of personnel.

Deeds Registry Act, 1937 (as amended in 2013): To amend the Deeds Registers 'Act, 1937 as to provide discretion in respect of rectification of errors in the name of a person or description of a property mentioned in deeds and other documents, to provide for the issuing of certificates in respect of registered titles taking the place of deeds that have become incomplete or unserviceable.

Municipal Rates Act, 2004 (as amended in 2014)

Infrastructure Development Act, 23 2014:

To provide for the facilitation and co-ordination of public infrastructure development which is of significant economic or social importance to the Republic; to ensure that infrastructure development in the Republic is given priority in planning, approval and implementation; to ensure that the

development goals of the state are promoted through infrastructure development; to improve the management of such infrastructure during all life-cycle phases, including planning, approval, implementation and operations; and to provide for matters incidental thereto.

Spatial Planning and Land Use Management Act No. 16, 2013 (SPLUMA):

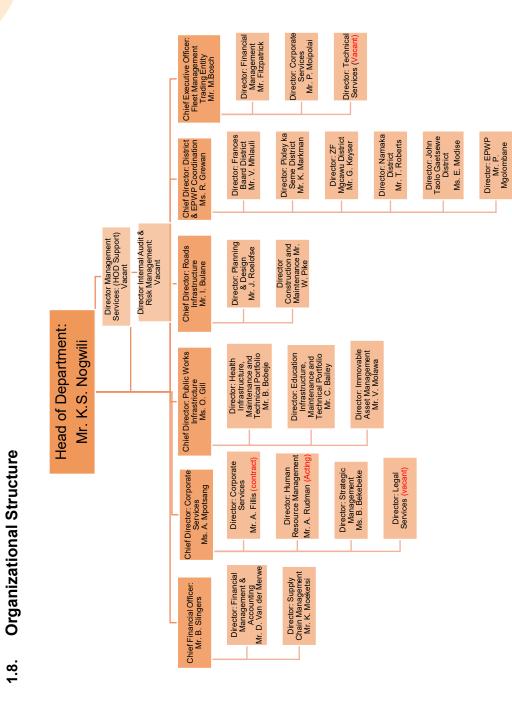
To provide a framework for spatial planning and land use management in the Republic; to specify the relationship between the spatial planning and the land use management system and other kinds of planning; to provide for the inclusive, developmental, equitable and efficient spatial planning at the different spheres of government.

Council for the Built Environment Act No. 43, 2000:

This document presents the Council for the Built Environment's policy for the identification of work to be adopted by the built environment professions councils, and a resulting framework to guide the implementation of the policy.

National Building Regulations and Building Standards as Amended by Standards 8 of 2008

SABS provides a range of standards covering the demands of the Building & Construction industry, from quality management systems to test methods for specific materials or parts. These will help your organization to enhance customer satisfaction, meet regulatory, safety and reliability requirements, and ensure consistency of quality throughout the supply chain.



1.9 Entities reporting to the MEC

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

PROGRAMME PERFORMANCE

PART B

2. PERFORMANCE INFORMATION

2.1 AUDITOR GENERAL'S REPORT: PREDETERMINE OBJECTIVES

Auditor General did not identify any material findings on the usefulness and reliability of the reported performance information for the following programme:

• Programme 2 – Public Works Infrastructure

Refer to Part E of the report for details

2.2 OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.2.1 Service delivery environment

The department was however presented with various service delivery challenges which were influenced by external factors, i.e. rapid growth of protests on our infrastructure projects, poor performing contractors impacted on the quality of certain infrastructure projects and their completion dates. In other instances, delays and in some cases cancellation of projects had a negative impact on the work and empowerment opportunities that could have resulted from these. Despite these challenges, the department still managed to ensure that internal control measures are continually being strengthened and supported by exposing key officials to continuous training and workshops. This is proven by the success in the implementation of and quality of financial management and this is demonstrated by the consecutive achievement of the unqualified audit outcomes over the last period, and again for 2019/20 financial year.

The prudent monitoring of payment of invoices within 30 days and DRPW continues to implement the PPPFA 2017 in the procurement of all goods and services, contractors, and service providers. The department's efforts to implement the 30% set-aside for BBBEE on subcontracting conditions on tenders, have been successful. The department has achieved 97% on 30 day payments to creditors to ensure sustainability and creating an enabling environment for business by reducing the rate of late payments to suppliers.

The Provincial Department of Roads and Public works managed for the year under review one thousand eight-hundred and forty-seven (1946) land parcels which includes state domestic facilities, private facilities, registered and unregistered state properties. The department provides office accommodation solutions to eleven (11) provincial departments and four (4) provincial government agencies and implements infrastructure projects at Head Office as well the District Offices. Prestige accommodation is still provided to members of provincial legislature (MPL's) and Members of

Executive Council. The construction sector remains a pivotal driver of provincial economic growth and social empowerment.

The department spent one-hundred percent (100%) on its allocated rates and taxes budget for this year under review, even though the budget is insufficient to service this debt and this remains our province's biggest challenge.

The department is a participant in the Green Energy initiatives championed by the National Department of Public Works and it has ensured that the designs of all major new buildings are subsequently incorporated into the physical construction to comply with this initiative. The following projects were completed during 2019/20 financial year:

Project Name	Progress to date				
Fig. 1: DOH completed proj	ects:				
Springbok Hospital: Construction of pharmacy	Completed				
Tshwaragano Hospital: Refurbishment of Nursing College	Completed				
Fig. 2: DSD completed pro	ojects:				
Boys high and 9 field street: Minor repairs and renovations	Completed				
Fig. 3: DOE Completed pro	ojects:				
Boys High School: Minor Repairs and Renovations	Completed				
Lowryville Primary School: Construction of small ablution block	Completed				
Simololang Primary School: Construction of large ablution block	Completed				
Phakamisa H/S: Large Ablution block and walkway to admin block	Completed				
Fig. 4: DSAC Completed projects:					
Library in Upington: Construction of New Library	Completed				
Barley West Library: Repairs and Renovation to existing community	Completed				
library					
Phillipstown Library: Refurbishment of Library	Completed				
De Aar Library: Emergency repairs and Renovations	Completed				
Fig. 5: DRPW:					
House No 9 Field Street: Minor Repairs and Renovations	Completed				
Credo House Kuruman: Repair and Renovation	Completed				
No 64 Shrine Street Kimbeley: Minor repairs and renovations	Completed				
Fig. 6: DEDT:					
Kimberley Skate Park: Economic Development	Completed				

With regard to road infrastructure, the province's road network consists of paved and unpaved roads.

Flexible (Paved) Roads

The total length of the provincial Flexible (Paved) road network is 3 591.11km which is 13.2% of the provincial road (Paved and Unpaved) network. The Average Visual Condition Index is 68.90%, which means that the Flexible (Paved) road network is in a Fair condition, currently 15.1% (539.57km) of the Flexible (Paved) road network is in a Poor to a Very Poor condition, and the total length of Flexible (Paved) roads that require Heavy Rehabilitation is 191.52km, Light Rehabilitation is 232.47km and Reseal is 1 304.93km. An amount of R4 708.54m is required for Rehabilitation and Preventative Maintenance.

Unpaved Roads

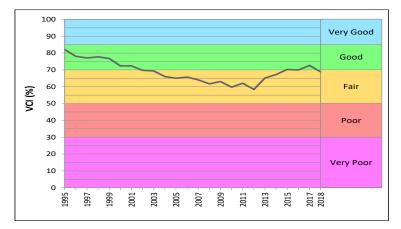
The total length of the provincial Unpaved (Gravel and Earth) road network is 23 573.21km which is 86.7% of the provincial road (Paved and Unpaved) network, the current Average Network Condition is 34.43%, which means that the total Unpaved road network is in a Poor condition. Currently 92.0% (20 954.42km) of the Unpaved road network is in a Poor to a Very Poor condition. The average gravel thickness of the unpaved road network is 23.03mm. 73.8% (16 809.5km) of the network has less than 50mm gravel wearing course. The total length of Unpaved roads that require Reshaping is 3 179.73km and Re-gravelling is 14 005.41km. An amount of R9 171.07m is required for Reshaping and Re-gravelling.

There is a developing trend of interest groups such as community led forums that distract the operations of the department, especially in the John Taolo Gaetsewe. The following road projects were completed for the year under review:

Project Name	Progress to date	
Reseal projects		
TR5/2Alco-Koopmasfontein	Completed	
MR807 Kimberley- Douglas	Completed	
TR38/2&3 Hopetown- Hanover	Completed	
MR828 Colesberg- Philipolis	Completed	
MR 857 Upington- Louisvale	Completed	
Re-graveling projects		
MR896 Postmasburg- Griekwastad	Completed	
M886 Askham- Vanzylsrus	Completed	
MR567 Calvinia- Middlepos	Completed	

Upgrading projects	
MR886 Hotazel- Vanzylsrus	Completed
DR3344 Gatshekedi-Maipeing	Completed

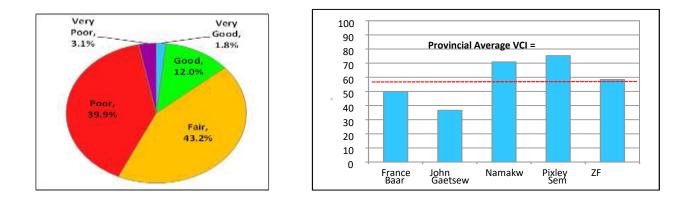
Figure: Average paved road VCI trend (1995 – 2018)



The figure below illustrates the current status quo of the province's road network:

Figure 2: DR&PW overall VCI in 2018

Figure 3: VCI per district in 2018



Lastly, The Department was expected to create 6000 work opportunities for the 2019/20 financial year of which five thousand two-hundred and twenty-seven (5 227) and the **13 056** work opportunities was created within the province to date against the target of **19 560** for the year by 41 Public Bodies in the Northern Cape Province.



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 (Construction Industry Development Board)	39 Construction Projects	15 Projects completed
Construction and maintenance of roads	All roads users(communiti es) including mining industries	 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 	 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 	 24.2 km of gravel roads upgraded to surfaced roads 236 305m² completed on rehab of paved roads. 22 029.75 m² patching of pothole 85 498.71 km gravel roads bladed 1 166 334 m² of surfaced roads resealed 397.17 km of gravel roads re-gravelled

Service Delivery Improvement Plan Main services and standards

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
All departmental projects are client	Conduct inspections to all active projects	12 Monthly meetings were held with
driven and are done according to the	to ensure compliance with Standard	client departments and other
needs of the service beneficiaries.	specifications and for quality control.	stakeholders.
	Speedy Service Delivery	
	Continuous improvement in project	
	management.	

Service delivery information tool.

Current/actual information tools	Desired information tools	Actual achievements
The department is always striving	Monthly reports, e-mail and distribute	12 Monthly meetings were held
towards Openness and	hardcopies	with client departments and other
transparency when delivering services.	Monthly meetings	stakeholders
		Cash Flow statements are availed
	Site meetings with contractor (All	on an ad-hoc bases or as and when
	stakeholders)	requested.
The department has developed its	SLA are available	Cash Flow statements are availed
service charter to inform our clients	Cash Flow statements/reports and	on an ad-hoc bases or as and when
on the departmental services,	predictions on every project are	requested
operating hours and procedures,	provided on a monthly basis.	
addresses, contact persons.	Implementation of PROMAN system.	PROMAN is up and running
	Client participation in the BID committee	
	meetings	
	Annual reports must improve- presently	
	concentrating on activities and outputs	

Complaints mechanism

Current/actual mechanism	complaints	Desired complaints mechanism	Actual achievements
Complaints are dealt	with in the	All complaints and complements	All complaints were dealt with at
following manner		should be done in writing and	or during site visits and meetings
Site meeting		registered for monitoring and	
Site visits		evaluation process	
One on One interview	WS		

2.2.2 Organisational environment

The department received an unqualified audit opinion with matters in the previous financial year (2018/19). The department therefore intensified its efforts to improve on its asset register and internal control environment and has also implemented measures to curb irregular, fruitless and wasteful expenditure. Disciplinary measures have been implemented as consequence management plan and also to tighten the belt on corruption. The department has intensified its efforts to enforce good governance through the improvement of the managerial processes. The department has

ensured that only projects that are on the Procurement Plan are implemented and has also escalated the non-compliance of client departments to the Provincial Infrastructure Committee. The top structure of the organisation is 81% filled of which 14% are women and 67% are men. The following Directors positions are still vacant and funded: The Director HOD Support, Director Internal control & Risk Management, Director Corporate Services, Director Human Resource Management, Director Legal services, Director Roads Planning & Design, and Director Fleet Technical Director. The Employment Equity breakdown of these appointments are depicted in the table below.

MALE			FEMALE				
AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE
17	7	0	0	4	1	0	0

The department reviewed the organisational structure of the Districts as well as **pockets** of the Head Office Structure.

In the 2019 academic year a total of 18 Part time bursaries were awarded to staff within the Department. In addition to contributing to youth and women empowerment, (12) women interns were enrolled in the departments' internship programme for a period of 12 to 24 months to obtain both workplace experience and practical knowledge. The department has also trained SMME's through the contractor and project management development programme. A total of 279 Youth enrolled on various Artisan Apprenticeship Programmes (157 x Female, 122 x Male). A total of 171 Youth enrolled on various Learnership Programmes (125 x Female, 46 x Male) and a total of 60 Youth trained on Capacity Building and Entrepreneurship (Short Skills).

2.2.3 Key policy developments and Legislative changes

In the year under review, all departmental polices have been reviewed there have not been any significant changes to policies or legislation that might severely affect the operations of the department. National Treasury Gazetted the Preferential Procurement Policy Framework (PPPFA) 2017, which makes provision for 30% set-aside for subcontracting as conditions of tenders over R50 million in order to advance designated groups and Provincial Treasury has developed a provincial Framework in line with this policy and the department will review the SCM policy in-line with The Provincial Treasury Instruction Note no.1 (2019/2020).

2.3 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.

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	Delivery of social infrastructure, the provision of office accommodation, integrated planning and total asset management

The department has successfully carried out its mandate against the National Development Plan (NDP) for this year and the following infrastructure projects are still in construction phases:

Projects in construction

Project Name	Progress to date	Department	
Enoch Mthetho Senior Secondary			
School	Construction of small ablution block	Education	
Lowryville Primary School	Construction of small ablution block	Education	
Nababeep Combine School	Construction of Large ablution block	Education	
Okiep High School	Contruction of Small Ablution block	Education	
Phakamisane High School Hanover	New Large Ablution block	Education	
Simololong Primary School	Construction of Large ablution block	Education	
Administration block in Calvinia	Construction of Large Aministration block	Education	
Gamopedi Primary School	Construction of Double ECD	Education	
Prieska High School	Construction of new Technical Workshop	Education	
Baiteredi Secondary School	Construction of ten classroom block	Education	
Kudumane Primary School	Construction of Early Childhood Development Centre	Education	
Kakamas School	Construction f new full school	Education	
Sishen I/S	Classrooms, double ECD, arge Ablution and R&R	Education	
Delta Primary School	Construction of small ablution block	Education	
Wrechville H/S	Construction of 10 classrooms, School hall, Large ablution block	Education	
Brandvlei Classroom	Construction of large admin, two clasroom and large ablution	Education	
Kalahari H/S	10 Classrooms, Large Ablution (Replace Mobile classroom)	Education	

Olihile Mampe IC	5 Class (replace Burned Classes)	Education
Boys High School	Minor Repairs and Renovation	Education
Springbok Hospital	Construction of New Mortuary	Health
Tshwaragano Hospital	Refurbishment of Nursing College	Health
Kimberley: NMHF	Nursing College and Student Accomodation	Health
Springbok Hospital	New Pharmacy	Health
Kimberley Hospital	Modified and Maintenance of Lifts	Health
Boegoeberg	Construction of new Clinic	Health
Bakhara Bodulong Clinic	Construction on New Clinic	Health
Greenpoint Community Library	Construction of new community library in Green Point	Sports, Arts and Culture
Phillipstown Library	Refurbishment of Phillipstown Library	Sports, Arts and Culture
Library Bakly West	Repairs and renovation to existing community Library	Sports, Arts and Culture
De Aar Library	Emergency Repairs and Renovations	Sports, Art and Culture
Place of Safety Kimberley	Repair and Renovation to place of safety kimberley	Social Development
9 Field Street	Minor Repairs and Renovation	DRPW
9 Field street and boy High School	Minor Repairs and Renovation	DRPW

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

With regard to road infrastructure, the visual condition index (VCI) on our road network can be reported to be at 69.8% which is a slight improvement from the previous year where we reported 68.9%. The purpose of road infrastructure is to provide a balanced, equitable provincial road network that is accessible to all. According to the most recent condition assessment data of 2017, the overall condition of paved DRPW roads can be classified as "good". Substantial preventive maintenance from 2012 increased the average network condition from mid fair to good in 2017. The 9.7% poor and very poor roads have high investment needs and high associated road user costs. 31.3% of the paved roads are now in a fair condition requiring preventive maintenance whereby their useful lives could be extended to postpone expensive future rehabilitation costs.

This analysis determined the impact of the current DRPW funding levels considering the following intervention treatments: reseal, rehabilitation, re-gravelling and upgrading of unpaved roads to paved standards. The funding level for the DRPW road network, according to the current DRPW allocation,

is estimated at R740 million annually. The analysis derived at the following outcomes regarding the current MTEF funding:

- The current funding level for the DRPW roads is not sufficient to maintain the road network, whether paved or unpaved, at current condition, nor increase the performance levels.
- The paved roads will deteriorate to levels worse than the current condition due to insufficient funding, and the optimal allocation of funds between road types and treatments will also not improve the situation. The paved network already has a high rehabilitation need that will continue to increase, unless specifically addressed through additional funding.
- The maintenance needs of unpaved roads cannot be addressed under the current funding constraints and the wearing courses will continue to diminish in thickness.
- Differentiation in maintenance standards among road classes is a cost-effective potential solution to reduce the funding need of the road network. This was investigated in this report through a review of triggers and standards per road class, in order to differentiate in level of service to be provided amongst road classes. Budget impacts on paved road network condition and unpaved road gravel thickness were investigated.

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

EPWP Projects implemented

The Department of Roads and Public Works implementing Learnerships and Artisan programmes where 450 learners currently enrolled for the 2019/20 financial year.

The breakdown per empowerment programmes are as follows:

- A total of 279 youth enrolled in various apprenticeships;
- A total of 171 youth enrolled in various learnerships;
- A total of 60 youth trained on capacity building and entrepreneurship (Short Skills)

Summary per programmes:

Apprenticeships:

- On the 1st November 2019 a total of 20 Diesel Mechanics and 10 Riggers commenced with their Institutional and Theoretical Training (Provincial Programme). The apprenticeship is over a period of 2 years and 5 months.
- On the 6th January 2020 a total of 24 Females in various Engineering Trades (Phakamile Mabija Apprenticeship) commenced with their final year at the Artisan Training Institute in Kimberley (Provincial Programme). Trade test is scheduled in October 2020.
- On the 13th January 2020 a total of 10 Refrigeration Apprentices commenced with their Institutional and Theoretical Training (Provincial Programme). The apprenticeship is over a period of 2 years and 5 months.
- On the 20th January 2020 a total of 20 youth commenced with their N1 & N2 in the field as Welding Apprentices (JTG District). The programme is over a 3 year period.
- A total of 25 Youth enrolled into Carpentry Apprenticeship. Learners completed Institutional, Theoretical and simulation (De Aar). Workplace scheduled on the 1st March 2020.
- A total of 123 Youth enrolled into Plumbing and Electrical Apprenticeship. They are currently busy with their N1 & N2 (JTG District).

Learnerships;

- Building and Civil Construction: Carpentry (Prieska), 21 Youth enrolled.
- Community House Building (Prieska), 35 Youth enrolled.
- Building and Civil Construction (Pampierstad), 25 Youth enrolled.
- Construction Road Works (Prieska), 25 Youth enrolled.
- Work Integrated Learning Programme, 15 Learners successfully completed.
- National Certificate: IT system support (Kimberley), 25 Youth enrolled.
- National Certificate: IT System support (Upington), 25 Youth enrolled.

Short Skills:

• A total of 60 youth received capacity building and entrepreneurship short skills training.

A 3-year program in the Engineering filed with 24 youth females. Artisan placed at the following mines for workplace training:

- Blackrock Mine 2
- De Beers Sightholder SA 3
- Ulco Mine (Afrisam) 6
- Kimberley Ekapa Mine 11

Community based programmes (Provincial output)

13 056 Work opportunity was created within the province to date against the target of **19 560** for the year.

EPWP Departmental Projects (Rooting Out the dust)

- Refurbishment of roads in ZFM
- Beautification of Paballelo
- Upgrade of internal Street: Noupoort and Norvalspond, Richmond, Petrusville, Philipstown and Van der Kloof
- Paving of internal Street 700 m: Pella
- Upgrade of street: Witdam and Greenpoint
- JTG Brick making
- Refurbishment of roads reserves in all municipalities

2.3.1 PERFORMANCE INFORMATION PER PROGRAMME

Description of each programme

Programme	Sub-programme	Performance measure
Administration	1.1. Office of the MEC	To render advisory, parliamentary, secretarial, and
Provision of		administrative and office support services.
administrative, strategic,	1.2. Management of the	Overall management of the department.
financial and corporate support services to ensure	department	
delivery of the Departments mandate in an integrated, efficient,	1.3 Corporate Support	To manage personnel, procurement, finance, administration and related support services for the department.
effective and sustainable manner.	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 coordination.
Public Works	2.1. Programme support	Overall management and support of the programme,
Infrastructure The purpose of this programme is to provide and manage government's immovable	0 11	strategic and administrative support services to the professional services components with regard to provincial government building infrastructure and property management, its management administration, financial matters and supply chain management.
property portfolio to support government social, economic, functional and political objectives. In line with the mandate of the Department of Public	2.2 Planning	Management of the demand for Infrastructure. Development, monitoring and enforcement of built sector and property management norms and standards. Assist in the development of user asset management plans. Development of Custodian Asset Management Plan. Development of infrastructure Implementation plans.
Works, this programme seeks to achieve the first	2.3 Design	Design of new and upgrading provincial building infrastructure.
four strategic objectives of the Department of Public	2.4 Construction	New construction, upgrading and refurbishment of provincial building infrastructure.
Works. The programme also renders professional services such as architectural, quantity surveying, engineering	2.5 Maintenance	Management of routine maintenance, schedule maintenance, conditions assessment of all provincial buildings and alterations which refers to changes that are required for reasons other than maintaining the asset.
and project management, horticultural and cleaning services.	2.6 Immovable Asset Management	Management of provincial immovable asset portfolio; 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 immovable assets in terms of the Land Administration which entails NC and GIAMA.
	2.7 Facilities Management	Management of cleaning, greening, beatification, interior decoration.
Transport Infrastructure	3.1. Programme Support Infrastructure	The overall management and support of the programme managing activities of the professional components

Programme	Sub-programme	Performance measure
To promote accessibility and the safe, affordable movement of people,		strategically, rendering administrative support services to the professional components with regard to road proclamations, way leaves and financial matters.
goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated	3.2. Infrastructure Planning	Provide for the planning and co-ordination towards the formulation of provincial transport policies and statutory plans, to facilitate the provision of road safety audits on all roads and transport infrastructure to ensure safe traffic and people movement.
and environmentally sensitive, and which supports and facilitates social empowerment and economic growth.	3.3. Infrastructure Design	To provide design, of roads and transport infrastructure including all necessary support functions such as environmental impact assessment, traffic impact assessment, survey, expropriation, material investigations and testing.
	3.4. Construction	To develop new, re-construct, upgrade and rehabilitate road infrastructure and 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.
	3.5. Maintenance	To effectively maintain road infrastructure, 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.
Community Based Programme	4.1 Programme Support	Overall district coordination, management and support of the programme, strategic and administrative support.
Tomanagetheimplementationofprogrammesandstrategiesthat lead to thedevelopmentandempowermentof	4.2. Community Based Programme	Overall management and support of the program, includes the coordination, compliance monitoring and implementation of programs to create work opportunities to alleviate poverty and the implementation of interventions to support contractor and skills development.
communities and contractors. This includes	4.3.Community Development	Programmes to bring about the development and empowerment of impoverished communities
theprovincialmanagementandordinationofthe	4.4 Innovation and Empowerment	Sub-program includes support to designated groups on contractor development, skills development and artisan development
Expanded Public Works Programme.	4.5. EPWP Co- ordination and Compliance Monitoring	This sub-programme includes the coordination and support to all public bodies to ensure compliance in the creation of work opportunities as per EPWP Phase III targets.

2.3.2 Strategic objectives, performance indicators planned targets and actual achievements

PROGRAMME 1: ADMINISTRATION

Purpose

Provision of administrative, strategic, financial and corporate support services to ensure delivery of the Departments mandate in an integrated, efficient, effective and sustainable manner.

Strategic Objectives

Strategic objective	Actual Achievem ent 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
To attain an unqualified report without material findings annually	1	1	1	-	N/A

Performance Indicators

Performance Indicator	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Office of the MEC					
Budget Vote speech tabled at the Legislature	1	1	1	-	N/A
Conduct stakeholder engagement sessions	-	4	4	-	N/A
Management of the Depa	artment				
Number of senior management meetings assessing and reviewing the departmental performance	4	4	4	-	N/A
Corporate Support		L			
Number of prescribed reports submitted to DPSA, PSETA, CETA and SAHRC in terms of PAIA	24	39	39	-	N/A
Submit financial reports in line with Provincial guidelines and within prescribed period	92	88	88	-	N/A
Percentage of payments processed within 30 days	97%	100%	97%	(3%)	Service providers inactive bank account details, non-tax compliant and incorrect invoice details.
Number of risk assessment done to update the Risk Register during the year	4	4	4	-	N/A
Departmental Strategy					
Submit prescribed reports as required by Treasury regulations	6	7	7	-	N/A

Strategy to overcome areas of under performance

 Request service providers to submit new invoices for verification, to update their bank account details regularly and keep their tax matters compliant.

Changes to planned targets

No changes were made to planned targets

Linking Performance with Budget

Programme 1: ADMINISTRATION									
				2019/20				2018/19	19
	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									
Office of the Mec	12,303	404	I	12,707	12,705	2	100.0%	10,853	10,850
Management of The Department	19,889	1,059	-3,284	17,664	17,662	2	100.0%	17,954	17,951
Corporate Support	128,018	-718	-5,785	121,515	120,935	580	99.5%	119,914	119,880
Departmental Strategy	8,278	-745	•	7,533	7,532	-	100.0%	6,322	6,321
	168,488	•	-9,069	159,419	158,834	585	9.6%	155,043	155,002



PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE

Purpose

The purpose of this programme is to provide and manage government's immovable property portfolio to support government's social, economic, functional and political objectives. In line with the mandate of the department of Roads and Public Works. This seeks to achieve the first four strategic objectives of the Department of Public Works. The programme also renders professional services such as architectural, quantity surveying, engineering and project management, horticultural and cleaning services.

Strategic objectives

Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Provision of infrastructure to achieve its intended purpose through the implementation of 138 projects on behalf of client departments	14	39	18	(21)	Project delayed due to poor contractor performance

Performance Indicator

Performance Indicator	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Program Support					
Number of Infrastructure Programme Implementation Plans	-	2	1	(1)	DOH did not submit IPIP
Planning and Desi	ign				
CAMP submitted to the relevant Treasury in accordance with GIAMA	1	1	1	-	N/A
Design					
Number of infrastructure designs ready for tender	23	15	16	1	Additional project requested by client department (State House)
Number of projects surveyed, planned and costed	25	15	16	1	Additional project requested by client department (State House)
Construction					
Number of capital infrastructure projects completed within the agreed time period	6	24	12	(12)	Project delayed due to contractor poor performance
Number of capital infrastructure projects completed within agreed budget	14	24	18	(6)	Project delayed due to contractor poor performance
Number of capital infrastructure projects in construction	30	46	33	(13)	Delay on site hand over due to unavailability of contractor on site
Number of capital infrastructure projects completed	14	24	18	(6)	Project delayed due to contractor poor performance

Maintenance					
Number of projects surveyed, planned and costed	-	10	0	(10)	The department have not received any projects to be surveyed and costed from client departments
Number of planned maintenance projects awarded	41	30	23	(7)	Client department requested less projects
Number of planned maintenance projects completed within the agreed contract period	21	30	11	(19)	Client department requested less projects
Number of planned maintenance projects completed within agreed budget	41	30	17	(13)	Client department requested less projects
Numberofplannedmaintenanceprojectsinconstruction	34	30	17	(13)	Client department requested less projects
Number of maintenance projects completed	200	220	125	(95)	Client department requested less projects
Immovable Asset	Management				
Number of immovable assets verified in the IAR in accordance with the mandatory requirements of National Treasury	337	300	511	211	The unit prioritized to update minimum requirements for all assets reordered in the register.
Facilities Operatio	n				
Number of properties receiving facilities management services	22	22	23	1	An additional facility was procured within the financial year (N05 Lockyear)

Number of condition assessments conducted on state owned buildings	0	0	0	-	N/A
Number of valid lease agreements on behalf of client departments	3	37	38	1	New leases were recorded within the financial year

Strategy to overcome areas of under performance

- Reclaiming of departmental Mandate into one sole infrastructure department will address fragmented functions;
- Restructuring will be conducted to address.

Changes to planned targets

No changes were made to targets

PERFORMANCE INFORMATION

Linking Performance with Budget

Programme 2: PUBLIC WORKS INFRASTRUCTURE									
				2019/20				2018/19	8/19
	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									
Programme Support	2,211	-392	1	1,819	1,817	2	%6.66	1,859	1,857
Design	14,756	-642	9	14,120	14,117	3	100.0%	14,237	14,235
Construction	7,728	1,130	33	8,891	8,891	•	100.0%	7,772	7,770
Maintenance	27,098	-608	487	26,977	26,975	2	100.0%	24,367	24,342
Immovable Asset Management	171,109	907	6,403	178,419	178,418	-	100.0%	102,116	102,115
Facility Operations	7,190	-395	•	6,795	6,793	2	100.0%	7,939	7,935
Total	230,092	•	6,929	237,021	237,011	10	100.0%	158,290	158,254

PROGRAMME 3: TRANSPORT INFRASTRUCTURE

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

Strategic objectives

Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Provide accessible transport infrastructure by improving the Network VCI through upgrading and maintenance of provincial surfaced and gravel roads	-	76%	76%	-	N/A

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Performance Indicators

Performance Indicator	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Programme Support I	nfrastructure				
Number of district co- ordination meetings	-	4	4	-	N/A
Infrastructure Plannin	Ig				
Number of reports done for management system	3	3	3	-	N/A
Number of infrastructure plan compiled	1	1	1	-	N/A
Number of kilometres of surfaced roads visually assessed as per the applicable TMH Manual*	3 579	0	0	-	N/A
Number of kilometres of gravel roads visually assessed as per the applicable TMH Manual*	11 873	0	0	-	N/A
Infrastructure Design					
Number of designs or specification document completed	1	1	1	-	N/A
Construction					
Number of kilometres of gravel roads upgraded to surfaced roads	14.9km	28.5	24.2	(4.3)	The delay in introduction of the contractor to the community in JTG affected the project output
Maintenance					
Number of square metres of surfaced roads rehabilitated	300 000	202 000	236 305	34 305	At the time of projects implementation, the roads showed more areas that need to be rehabilitated

Number of square meters of surfaced roads resealed	1 880 000	825 962	1 166 334	340 372	
Number of kilometres of gravel roads re- gravelled	323.88	333.67	397.17	63.5	The Head Office project completed ahead of schedule due to threat of drought.
Number of square meters of blacktop patching	38 543.44	21 702.38	22 029.75	327.37	The rain experienced increased the rate of deterioration and potholes development on our road network.
Number of kilometres of gravel roads bladed	74 388.86	70 180	85 498.71	15 318.71	The delivery of new graders assisted in blading more roads

Strategy to overcome areas of under performance

 Districts forums will be engaged and political intervention to address community protests in JTG;

Changes to planned targets

No changes were made to performance indicators;

PERFORMANCE INFORMATION

Linking Performance with Budget

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Z	INFRASTRUCTURE									
					2019/20				2018/19	19
		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
Su	Sub programme									
-	Programme Support Infrastructure	9,421	128	'	9,549	9,547	2	100.0%	6,843	6,840
2	Infrastructure Planning	38,186	-14,698	288	23,776	23,775	-	100.0%	21,134	21,132
3	Infrastructure Design	4,593	-443	'	4,150	4,149	-	100.0%	4,217	4,215
4	Construction	69,255	4,637	197	74,689	74,688	~	100.0%	73,870	73,868
5	Maintenance	1,269,267	10,376	1,614	1,281,257	1,281,254	с	100.0%	1,248,351	1,248,338
		1,390,722	•	2,699	1,393,421	1,393,413	ω	100.0%	1,354,415	1,354,393

PROGRAMME 4: COMMUNITY BASED PROGRAMMES

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 coordination of the Expanded Public Works Programme.

Strategic objectives:

Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Contribute to the job creation initiatives (Outcome 4) of the province through the creation of 28 429 work opportunities to empower impoverished communities by 2019/20	8 217	6 000	5 227	(773)	Delayed implementation of projects following change of administration

Performance Indicators

Performance	Actual	Planned	Actual	Deviation from	Comment on
Indicator	Actievement 2018/2019	Target 2019/2020	Actievement 2019/2020	planned target to Actual Achievement for 2019/2020	deviations
Programme support					
NumberofinterventionsimplementedtosupporttheDepartmentDepartmentopportunities	-	4	4	-	N/A
Community Developme	ent				
Number of EPWP work opportunities created by the Provincial Department of Public Works/Roads	8 217	6 000	5 227	(773)	4 Contractor development projects not recorded Delayed implementation of projects following change of administration
Number of full time equivalents (FTEs) created by the Provincial Department of Public Works/Roads	1 960	2 400	1 459.30	(940.7)	The late approval of the EPWP projects list resulted in delayed implementation of projects. This reduced the labour days on projects resulting in lesser FTEs'
Innovation and empow	erment				
Number of Beneficiary Empowerment Interventions	3	3	3	-	N/A
EPWP Coordination an	d Compliance M	onitoring			
Number of public bodies reporting on EPWP targets within the province	41	40	40	-	N/A
Number of interventions implemented to support public bodies	19	16	16	-	N/A

1. dt. e e					
in the creation of targeted number of work opportunities in the Province					
Number of jobs created	8 217	6 000	5 227	(773)	4 Contractor development projects not recorded Delayed implementation of projects following change of administration
Number of full time equivalents (FTEs)	1 960	2 400	1 459.30	(940.7)	The late approval of the EPWP projects list resulted in delayed implementation of projects. This reduced the labour days on projects resulting in lesser FTEs'
Number of youths employed (18 – 35)	4 848	3 300	3 134	(166)	Delayed implementation of projects following change of administration
Number of women employed	4 112	3 300	2 625	(675)	Less women employed due to nature of projects
Number of people living with disabilities	0	120	0	(120)	The department is still struggling to attract PLWD due to the nature of projects implemented at the department.

Strategy to overcome areas of under performance

- The department will engage stakeholders to attract PLWD target;
- Technical support will be intensified towards EPWP projects.

Changes to planned targets

• No changes to planned targets

Linking Performance with Budget

Programme 4: COMMUNITY BASED PROGRAMME	MME								
				2019/20				201	2018/19
	Adjusted Appropria tion	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									
Programme Support Community Based	3,709	-520	1	3,189	3,187	2	9 0 .66	3,583	3,580
Community Development	107,204	1,386	-559	108,031	108,030	-	100.0%	104,716	104,715
Innovation And Empowerment	9,595	-668	1	8,927	8,926	-	100.0%	8,842	8,841
EPWP Co-Ordination And Monitoring	3,677	-198	•	3,479	3,478	1	100.0%	3,055	3,053

120,189

120,196

100.0%

S

123,621

123,626

-559

ī

124,185

2.4 TRANSFER PAYMENTS

The table below reflects zero transfer payments made for the period 1 April 2019 to 31 March 2020.

Name of transferee	Purpose for which the funds were used for	Compliance with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity R'000	Reasons for the funds unspent by the entity
Sol Plaatje Municipality	Galeshewe Urban renewal programme	-	10,000	-	-

2.5 CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

	Provincial Roads Maintenance Grant	EPWP Integrated Grant
Department who transferred the grant/earmarked funds	Department of Transport	Department of Public Works (Vote 5)
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 labour-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: road maintenance and the maintenance of buildings low traffic volume roads and rural roads other economic and social infrastructure sustainable land based livelihood
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 Current condition distribution of the road and bridge network, as well as traffic distribution Maintenance needs of the road and bridge network Change in network condition distribution over time due to prioritised maintenance actions Number of EPWP work opportunities created Number of S3 students provided with experiential internships Number 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	R 1,146,470,000	R 4,439,000
Amount received (R'000)	R 1,146,470,000	R 4,439,000

Reasons if amount as per DORA was not received	All funds recieved	All funds recieved
Amount spent by the department (R'000)	R 1,146,470,000	R 4,439,000
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 deparment that specifically deal with road infrastructure. We appoint a project manager for each projects that we undertake. It is also part of our reporting procedure to National Department of Transport on a monthly basis.	The department do have a dedicated unit that deal with the payments.

2.6 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

		2019/2020			2018/2019	
Infrastructure projects	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	-		-			-
Existing infrastructure assets	1,288,958	1,288,956	2	1,277,125	1,277,123	2
Upgrades and additions	123,387	123,386	1	83,920	83,919	1
Refurbishment and rehabilitation	110,148	110,148	-	106,396	106,395	1
Maintenance and repairs	1,055,423	1,055,422	1	1,086,809	1,086,809	-
Infrastructure leases	3,937	3,937	-	3,041	3,040	1
Non Infrastructure	40,720	40,719	1	32,066	32,065	1
Total	1,333,615	1,333,612	3	1,312,232	1,312,228	4

PART C

GOVERNANCE

3.1 Introduction

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, asset registers. The following elements of governance will remain the focus for the coming year:

a) Accountability

The department implements the annual performance contracts with senior management of the department that is link to the Annual Performance plan in terms of all SMS Members. The department will continue to use its managerial processes such as MANCO and Exco to strengthen working relations in the organization.

b) Discipline

Disciplinary processes within the department are aligned to the Public Service Disciplinary Code and Procedures and are geared towards ensuring service delivery. The department at all times strives towards consistent and just application of our disciplinary processes and ensures that employees conform to the required behaviour in the public services.

c) External Reporting

Monthly reporting, focusing primarily on financial issues, will still continue during the newyear. 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 unauthorized expenditure in relation to overspending of the Vote. Secondly, wasteful expenditure, in the form of interest penalties due to late payments will also be eliminated. The department is continuously striving to improve its annual report, specifically.

3.2 Risk Management

The department has a risk management policy and strategy in place which is reviewed annually. The department continuously conducts risk assessments to identify new and emerging risk and also monitor the effectiveness of its strategy.

- Programme Risk assessments are conducted on a quarterly basis in order for the relevant risks to be mitigated before they occur.
- Programme Managers review and update existing risks; and identify emerging risks.
- Significant risks relevant to objectives are assessed in terms of likelihood and impact.

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

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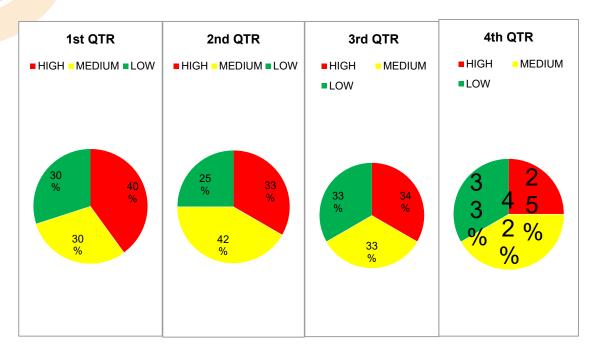
the Committee is to assist the Accounting Officer in discharging his accountability for risk management by reviewing the effectiveness of the institution's risk management systems, practices and procedures, and providing recommendations for improvement.

Member	Position
B Sekhoacha	Chairperson (CFO – NCDOE)
B. Slingers	Chief Financial Officer
I. Bulane	CD: Roads
A. Mpotsang	CD: Corporate Service
OJ Gill	CD: Public Works
R. Grewan	CD: EPWP & District Coordination
Q Fitzpatrick	Dir: Finance NCFMTE
T Arnold	DD: ICT
S Leeuw	DD: Legal Services

The Risk Management Committee meet quarterly and also look at the mitigation of risk in the department and advice management accordingly to mitigate risk in the department. 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: -

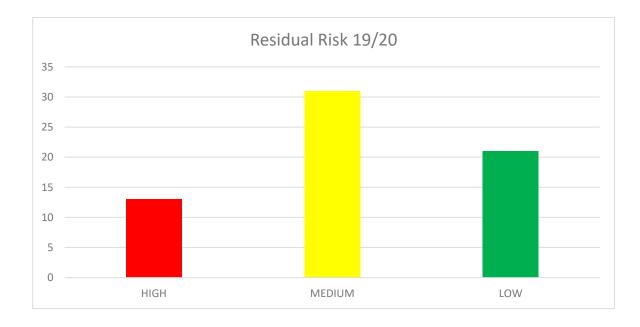
 Executive, Senior and Middle / Operational management, together with their nominees are active participants in the risk identification and assessment process. The department conducts risk assessments annually, monitors the actions to mitigate risks monthly and report progress on these actions to the Risk Management Committee (RMC) quarterly. a) Strategic Risks 2019/20

The table below depicts residual risks from beginning to end of the financial year.



b) Operational risks 2019/20

The table below depicts residual risk from beginning and end of the financial year



- The department sees progress in the management of risks as 80% of the risks are Medium to Low.

3.3 Minimising Conflict of interest

The Pubic Service Regulations, 2016 which came on 1 August 2016 also provides that the Minister for Public Service and Administration) (MPSA) may identify other salary levels that should disclose their financial interest. The Minister determined that employees on Deputy Director level and staff employed in the professions (OSD) on these levels and all levels within Supply Chain Management and Finance should also declare.

- ✓ The content of the new Public Service Regulations was communicated to all officials
- ✓ The transitional arrangement was put into operation
- ✓ All prospective bidders are required to complete and be in compliance with the SBD 4 (Disclosure of interest)
- ✓ The code of conduct for SCM officials as well as BAC members is in place.

National Treasury Instruction 4A of 2016 requires the registration on the Central Supplier Database by all suppliers intending to do business with government. The following key information of prospective suppliers is verified on the CSD:

- ✓ Business registration, including details of directorship and membership;
- ✓ Bank account holder information;
- ✓ In the service of the state status;
- ✓ Tax compliance status;
- ✓ Identity number;
- ✓ BEE status level; and
- ✓ Tender defaulting and restriction status.

3.4 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 have developed a code of conduct for the department which was workshopped with all employees throughout the department.

3.5 Health Safety and Environmental Issues

The Occupational Health and Safety Act, 1993 (Act 85 of 1993) imposes a responsibility on the Department to ensure the physical safeguarding of its infrastructure sites, as well as ensuring the physical health and safety of the contractor and his/her employees. To this end, the minimum requirements relating to how this risk should be managed on infrastructure sites has been standardised and built into the Construction Tender Document suites prescribed by the CIDB. In so far as it pertains to transport infrastructure, environmental impact assessments must be conducted.

The Safety committee is responsible for compliance in terms of OHS not only in the office set-up but also at the camp site and wherever the teams are working. The Occupational Health and Safety unit has appointed Departmental Safety Representatives in all five districts. At every camp there is a representative as well as the grader operators are also part of the safety committee. The grader operators were elected due to the fact that they work in isolated areas and they need to expose to first-aid training.

3.6 Portfolio Committees

The department tabled its 2019/20 Annual Performance plan to the Portfolio Committee on the 14th August 2019 and the committee met and adopted the report.

Committee Recommendations

The recommendations by the committee and the department was requested to submit additional reports listed below:

RESOLUTION	STATUS
Ensure that they conduct a full assessment on the liabilities in terms of payment of Rates and Taxes of local municipalities and must develop a payment plan that can be monitored with regard to Rates and Taxes which are in arrears.	The department has conducted an analysis on the rates & taxes debt and has a payment plan in place. However, the rates bill will never be cleared if the allocation of the budget is exceeded by the annual bills. The Department inherited this debt from National Public Works when the function was devolved, and at the time the budget was insufficient. Provincial Treasury also allocated and additional R40 million to assist the department.
Have a correlation with client departments regarding leases and mechanisms must be put in place to ensure that all property leases are renewed timeously.	The lease management process is managed through relevant demand and acquisitioning processes. The department ensured that leases are valid and are renewed timeously to avoid non-compliance.

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RESOLUTION	STATUS	
Report consistently on the plans, expenditure and performance of the Northern Cape Fleet Management Trading Entity to promote accountability in this regard.	The department tables the Entity's plans annually and report quarterly on its performances.	
Expedite the process of recruiting road maintenance workers to lead them into contractor development programmes.	The process of filling posts have been halted by a moratorium, the department does have a full structured programme for contractor development as part of its EPWP program.	
Prioritise its budget to make more funds available to build new roads in the province.	The PRMG does not make provision for construction of new roads and the department is fully dependent on PRMG since equitable share has decreased over the years which makes provision for new roads. New roads can only be constructed once Treasury increases the equitable share.	
Increase the job creation target for the 2019/20 financial year.	Job creation targets have been reduced by National and the department implements gazetted targets.	
Prioritise road construction in the JTG region.	There has been a reduction in the equitable share which limits construction of roads only routine road maintenance projects are implemented and prioritised.	
Put internal controls and systems in place to monitor fuel card transactions and to minimize fraud in this regard. Monthly reports and reconciliations must be done continuously to monitor expenditure on the fuel cards.	The department does have its own internal controls in place and reports are received from transit solutions/ABSA (early warning) are being reviewed regularly and sent to affected client department. The Entity is leading the investigation process. The Entity provides all investigation reports to client departments, so that they can conduct their own investigations.	
Put plans into place to mitigate the risks of litigation caused by pothole claims.	The department is in a process of strengthening its internal human capacity to avoid instances where the collusion took place outside the department's jurisdiction like municipalities and /or between the borders of our province and another province. The districts of our department are working very hard in addressing this issue by giving reports to the legal services on a case by case basis.	
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RESOLUTION	STATUS
Ensure transparency with regard to the Sol Plaatje Cleaning Project.	The Sol Plaatje project has since been implemented in a transparent manner.
Ensure all district workshops take place with municipalities on matters pertaining to the yellow fleet.	The entity does engaged and regularly with the districts to address issues pertaining to yellow and its challenges.
Ensure that it complies with the principles of the EPWP in order to expose more people to the programme and address the reskilling component.	The department is fully compliant with the EPWP ministerial mandate and has increased the targets for Target groups and and especially in relation to skills development and all districts are benefiting from the skills development programmes.

REPORTS	STATUS
A report on the total value of pothole claims	Submitted
A report on the asbestos rehabilitation project	Submitted
An updated register and plans on all departmental immovable assets	Submitted
A report on the status, plans and budget of the NC Fleet management Trading Entity	Submitted
A progress report on the construction of the parliamentary village which was planned several years ago	Submitted
A progress report on the establishment of the construction company for the Northern Cape province	Submitted

3.7 2018/19 Scopa Resolutions

The department presented the 2018/19 Annual report presentation meeting to the Standing Committee on Public Accounts on the 6th March 2020. The committee met and adopted the report. There were no additional reports requested from the department.

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RESOLUTION	STATUS
Ensure that in future their presentation must include both performance and financial information of the NCFMTE.	The department will make sure that this is adhere to since the entities annual report information is incorporated in the department.
Endure that they develop a comprehensive strategy to address the departments in dispute with regard to leases to avoid future irregular expenditure.	The department has developed a strategy on how to deal with leases. This was done in conjunction with Provincial Treasury. The strategy was based on the approach that National Public Works and other provinces followed.
Ensure that they urgently address their financial management controls to avoid ever recurring accruals.	• The accruals relate to outstanding rates and taxes and Account payable to the Trading Entity. The department is having discussions with Sol Plaatjie and has develop a debt redemption.
Develop a payment plan to fast track the facilitation of outstanding rates and taxes by client departments including the DRPW to municipalities.	The department had engaged with Sol Plaatjie a both pas agreed to work on the accuracy of the information. Provincial Treasury also allocated and additional R40 million to assist the department.

3.8 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 authorized and recorded, and assets are adequately safeguarded against material loss through unauthorized acquisition, use, or disposal.

A number of units and interventions is still existing in order to improve internal control

- Compliance with applicable laws, regulations and policies
- Risk management Committee is fully operational
- Financial Misconduct committee
- Monitoring and Evaluation unit

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;
- To establish and maintain financial management policies and procedures
- The unit check all payments and submitted twelve reports to the HOD on irregular expenditure and also serve as the secretariat on the financial misconduct committee;
- 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;

3.9 REPORT OF INTERNAL AUDIT

The Executive Council of the Northern Cape Provincial Government has established an Internal Audit Unit (Internal Audit) to provide internal audit services to all 12 departments, 6 listed public entities and one trading entity within the province. The shared Internal Audit Unit is divided into 4 clusters, Department of Roads and Public Works being serviced by the Internal Audit Unit – Public Works Cluster. The IAU is an independent, objective assurance and consulting activity designed to add value and improve the client's operations.

Mandate

The Internal Audit Unit was established according to the Public Finance Management Act, 1999 (Act No 1 of 1999) section 38(a)(ii) which requires that the accounting officer establish a system of internal audit under the control and direction of an audit committee. Internal Audit assisted the department and management with the achievement of their objectives and remains a vital part of the department's governance and combined assurance structures. Internal Audit is the primary independent assurance provider on the adequacy and effectiveness of the department's governance, risk management and control structures, systems and processes. Internal audit operates in general conformance to the International Standards for the Professional Practice of Internal Audit (Standards).

Annual internal audit assurance statement

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

Independence and authority

The independence of internal audit is considered by the Chief Audit Executive and Audit Committee on an ongoing basis. It has been determined and confirmed that Internal Audit has remained independent of all operational functions and that the functional reporting to the Audit Committee and administrative reporting to the Treasury Head of Department have enabled appropriate organisational positioning. A shared internal audit model is in place, stationed in Provincial Treasury and operates in 4 clusters of 3 departments each. This contributed positively to independence. Internal Audit has access to all stakeholders as well as free and unrestricted access to all areas within the department.

Key activities of the internal audit:

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

- Asset Management
- Annual Financial Statements and Interim Financial Statements review
- Audit of Performance Information quarterly
- ICT status review
- Property management
- Provincial Road Maintenance Grants
- Quarterly follow-up on implementation of audit rectification plans
- Risk, Fraud and Ethics review
- Supply Chain Management

The internal audit unit also attended and contributed to the departmental risk management committee meetings and management meetings.

Audit Committee

Key activities and objectives of the audit committee:

The Executive Council of the Northern Cape Provincial Government has established Cluster Audit Committees for the 12 Provincial Departments, 6 listed public entities and one trading entity. The Public Works Cluster Audit Committee deals with 3 departments and one trading entity including the Department of Roads and Public Works. The Audit Committee assists the department by providing advice relating to the reporting process, the system of internal control, the risk management processes, the internal and external audit process and the departments processes for monitoring compliance with laws and regulations and the code of conduct.

The Audit Committee consists of the members listed below. It meets as frequent as mandated by the approved Audit Committee charter and as often as it deems necessary. The AC also provided the MEC with a written report subsequent to the AC meetings to ensure the executive is informed about matters of concern.

During the financial year under review, 5 meetings were convened as per its charter including a meeting convened to discuss rectification plan status of implementation.

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

The term of audit committee members is three years with an opportunity to be renewed for another 3 year term.

The audit committee members and their attendance are:

Name	Qualifications	Internal or external	If internal, position in the department	Date Resign- ed	No. of Meetings attended
Viren Magan	B. Compt, CA(SA)	External	n/a	n/a	5
George Higgins	B. Com, B Com Honours (Tax), CA(SA)	External	n/a	n/a	5
Molefinyana Phera	LLB, Masters in Governance and Political Transformation, B. Tech Public Management	Internal	Chief Operations Officer – Department of Economic Development and Tourism	n/a	2

3.10 REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2020. 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.

3.10.1 REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2020. 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.

3.10.2 EVENTS AFTER REPORTING DATE

The Covid-19 pandemic also impacted on the audit committee operations after the financial year end of 31 March 2020. Social distancing, lock down regulations together with the amended legislative timeframes for annual report submission impacted the operations of the audit committee, internal audit and external audit during the timeframes when annual financial statements and annual performance information would be prepared by the departments, desk reviewed by internal audit and audited by external audit.

The audit committee welcomed initiatives by the department, internal audit, external audit and audit committee members to go digital in an effort to continue with the compilation of the annual report, desk reviews, audit processes and oversight responsibilities.

The audit committee also noted that as a result of the pandemic a significant budget cut had to be taken by the province and again commends the department and internal audit for revising annual performance plans and operational plans to accommodate additional spending on healthcare and essential services.

3.10.3 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.

3.10.4 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.

3.10.5 THE EFFECTIVENESS OF INTERNAL CONTROL

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

Follow up audits are a strong governance and risk management practice, included in the charter for Internal Audit, Government Auditing Standards and in the International Standards for the Professional Practice of Internal Auditing. Therefore Internal Audit also performed follow up audits. Management has developed a practical action plan to address the above issues within a reasonable time period.

3.10.6 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.

3.10.7 INTERNAL AUDIT

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

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

3.10.8 EVALUATION OF FINANCIAL STATEMENTS

- **3.10.8.1** The audit committee has reviewed the audited financial statements for the year ended 31 March 2019 for the department and has discussed matters of concern with management and Auditor-General as well as the Accounting Officer.
- **3.10.8.2** 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.
- **3.10.8.3** 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 Modified Cash Standard.

- **3.10.8.4** 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.
- **3.10.8.5** 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.
- **3.10.8.6** The audit committee has reviewed significant adjustments resulting from the audit as part of the review of the audited financial statements.
- **3.10.8.7** 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.

3.10.9 AUDITOR-GENERAL SOUTH AFRICA

The Audit Committee concurs with and accepts the conclusion and audit opinion of the Auditor General on the annual financial statements and performance information.

The Audit Committee congratulates management for obtaining an unqualified opinion on the annual financial statements and performance information.

The Committee wishes to thank all the stakeholders for their cooperation and assistance.

On behalf of the Audit Committee Viren Magan CA(SA) CIA MBL Chairperson of the Audit Committee Date: 13 October 2020

PART D

Personnel related expenditure

Table 4.1.1 Personnel expenditure by programme for the period 1 April 2019 and 31 March 2020

Programme	Total Voted Expen- diture (R'000)	Personnel Expen- diture (R'000)	Training Expen- diture (R'000)	Professional and Special Services expenditure (R'000)	Personnel expen-diture as a % of total expenditure	Average personnel cost per employee (R'000)	Employ- ment
Administration	159 419	97 082	947	6 153	60.9%	447	217
Public Works Infrastructure	237 021	46 342		14 414	19.6%	509	91
Transport Infrastructure	1 393 421	144 586	198	4 674	10.4%	234	617
Community Based Programme	123 626	14 659		13 993	11.9%	444	33
TOTAL	1 913 487	302 669	1 145	39 234	15.8%	316	958

Table 4.1.2 Personnel costs by salary band for the period 1 April 2019 and 31 March 2020

Salary Bands	Personnel Expenditure (R'000)	% Of total personnel cost	Number of Employees	Average Compensation Cost per Employee (R'000)
Contract workers	26 876	8.9%	124	217
Lower skilled (Levels 1-2)	527	0.2%	3	176
Skilled (Levels 3-5)	108 045	35.7%	543	199
Highly skilled production (Levels 6-8)	67 672	22.4%	162	418
Highly skilled supervision (Levels 9-12)	72 692	24.0%	103	706
Senior management (Levels 13-16)	26 857	8.9%	23	1 168
TOTAL	302 669	100%	958	316

Table 4.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2019 and 31 March 2020

	Sa	laries	Ove	ertime	Home Owners Allowance		Med	ical Aid
Programme	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	67 308	69.3%	95	0.1%	2 225	2.3%	4 921	5.1%
Public Works Infrastructure	32 975	71.2%	-	0.0%	907	2.0%	1 860	4.0%
Transport Infrastructure	100 540	69.5%	1 498	1.0%	7 005	4.8%	6 879	4.8%
Community Based Programme	10 564	72.1%	-	0.0%	270	1.8%	488	3.3%
TOTAL	211 387	69.8%	1 593	0.5%	10 407	3.4%	14 148	4.7%

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 Table 4.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1

 April 2019 and 31 March 2020

	Sa	laries	Ov	ertime	Home Own	ers Allowance	Medic	al Aid
Salary Bands	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
Contract Workers	20 846	77.6%	136	0.5%	-	0.0%	6	0.0%
Lower skilled (Levels 1-2)	303	57.5%	1 230	0.0%	47	8.9%	84	15.9%
Skilled (Levels 3-5)	70 300	65.1%	204	0.2%	6 745	6.2%	7 631	7.1%
Highly skilled production (Levels 6- 8)	45 989	68.0%	23	0.0%	2 310	3.4%	4 337	6.4%
Highly skilled supervision (Levels 9-12)	53 493	73.6%	-	0.0%	939	1.3%	1 853	2.5%
Senior management (Levels 13-16)	20 456	76.2%			366	1.4%	237	0.9%
TOTAL	211 387	69.8%	1 593	0.5%	10 407	3.4%	14 148	4.7%

4.2 Employment and Vacancies

Table 4.2.1 Employment and vacancies by programme as on 31 March 2020

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	241	176	26.97%	
Public Works	122	71	41.80%	1
Roads	709	561	20.87%	1
Community Based Programme	32	26	18.75%	1
Total	1104	834	24.45%	3

Table 4.2.2 Employment and vacancies by salary band as on 31 March 2020

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	3	70%	
Skilled (3-5)	721	543	24.68%	2
Highly skilled production (6-8)	208	162	22.11%	1
Highly skilled supervision (9-12)	137	103	24.81%	
Senior management (13-16)	28	23	17.85%	
Total	1104	834	24.45%	3

Table 4.2.3 Employment and vacancies by critical occupations as on 31 March 2020

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Professionals	36	29		0
Technicians	27	16		0
Total	63	45		0

4.3 Filling of SMS Posts

Table 4.3.1 SMS post information as on 31 March 2020

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	100%	0	0
Salary Level 15	0	0	100%	0	0
Salary Level 14	5	5	100%	0	0
Salary Level 13	20	14	70%	7	35%
Total	26	20	76.92%	7	26.92%

Table 4.3.2 SMS post information as on 31 March 2020

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	100%	0	0
Salary Level 15	0	0	100%	0	0
Salary Level 14	5	5	100%	0	0
Salary Level 13	20	14	70%	7	35%
Total	26	20	76.92%	7	26.92%

Table 4.3.3 Advertising and filling of SMS posts for the period 1 April 2019 to 31 March 2020

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	100%	0	0
Salary Level 15	0	0	100%	0	0
Salary Level 14	5	5	100%	0	0
Salary Level 13	20	14	70%	7	35%
Total	26	20	76.92%	7	26.92%

Table 4.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6months and filled within 12 months after becoming vacant for the period 1 April 2019 to 31 March 2020

Reasons for vacancies not advertised within six months

Due to the moratorium on the filling of posts, only critical posts were advertised.

0

4.4 Job Evaluation

Table 4.4.1 Job Evaluation by Salary band for the period 1 April 2019 to 31 March 2020

Salary band	Number of	Number of	% of posts	Posts	Upgraded	Posts de	owngraded
	posts on approved establishment	Jobs Evaluated	evaluated by salary bands	Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels1-2)	10	0	0	0	0	0	0
Skilled (Levels 3-5)	721	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	208	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	137	0	0	0	0	0	0
Senior Management Service Band A	21	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	1104	0	0	0	0	0	0

Table 4.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2019 to 31 March 2020

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

Table 4.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2019 to 31 March 2020

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 t	the level determined by job e	evaluation	N/A
Percentage of total employe	d			0

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

Table 4.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2019 to 31 March 2020

Gender	African	Asian	0	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 determined by job evaluation None

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4.5 Employment Changes

Table 4.5.1 Annual turnover rates by salary band for the period 1 April 2019 to 31 March 2020

Salary band	Number of employees at beginning of period -1 April 2019	Appointments and transfers into the	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	3	department 0	0	0
Skilled (Levels 3-5)	554	28	16	2.9
Highly skilled production (Levels 6-8)	166	5	11	6.6
Highly skilled supervision (Levels 9-12)	106	0	3	2.8
Senior Management Service Bands A	15	0	0	0
Senior Management Service Bands B	5	0	0	0
Senior Management Service Bands C	1	0	0	0
Senior Management Service Bands D	1	0	0	0
Contracts	103	117	1	0.9
Total	954	150	30	3.1

Table 4.5.2 Annual turnover rates by critical occupation for the period 1 April 2019 to 31 March 2020

Critical occupation	Number of employees at beginning of period- April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Engineering & related Professionals	21	1	0	0
TOTAL	21	1	0	0

Table 4.5.3 Reasons why staff left the department for the period 1 April 2019 to 31 March 2020

Termination Type	Number	% of Total Resignations
Death	8	25%
Resignation	4	12.5%
Expiry of contract	0	0
Dismissal – operational changes	0	0
Dismissal – misconduct	1	3.1
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	17	53.12
Transfer to other Public Service Departments	2	6.25
Other	0	0
Total	32	
Total number of employees who left as a % of total employment		3.9%

Table 4.5.4 Promotions by critical occupation for the period 1 April 2019 to 31 March 2020

Occupation	Employees 1 April 2019	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
Engineering & related Professionals	21	0	0	4	19%
TOTAL	21	0	0	4	19%

Table 4.5.5 Promotions by salary band for the period 1 April 2019 to 31 March 2020

Salary Band	Employees 1 April 2019	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)	3	0	0	1	33.3%
Skilled (Levels 3-5)	554	0	0	364	65.7%
Highly skilled production (Levels 6-8)	166	5	3.0%	86	51.8%
Highly skilled supervision (Levels 9-12)	106	2	1.8%	48	45.2%
Senior Management (Level 13-16)	23	0	0	0	0
Total	852	7	0.8%	499	58.5%

4.6 Employment Equity

Table 4.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2020

Occupational category		Mal	e			Fema	ale		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	4	5	0	0	2	1	0	0	12
Professionals	29	8	0	2	7	7	0	4	57
Technicians and associate professionals	33	17	0	4	18	9	0	2	83
Clerks	34	15	1	3	60	32	1	3	149
Service and sales workers	1	0	0	0	0	0	0	0	1
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	16	23	0	2	6	1	0	0	48
Plant and machine operators and assemblers	16	20	0	2	0	0	0	0	38
Elementary occupations	137	186	0	0	67	56	0	0	446
Total	270	274	1	13	160	106	1	9	834
Employees with disabilities				2					2

Table 4.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2020

Occupational band		Male				Femal	e		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	1	0	0	0	0	0	0	2
Senior Management	9	7	0	0	4	1	0	0	21
Professionally qualified and experienced specialists and mid-management	39	14	0	5	9	4	0	4	75
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	64	39	1	6	47	28	0	5	190
Semi-skilled and discretionary decision making	155	213	0	2	99	73	1	0	543
Unskilled and defined decision making	2	0	0	0	1	0	0	0	3
Total	270	274	1	13	160	106	1	9	834

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Table 4.6.3 Recruitment for the period 1 April 2019 to 31 March 2020

Occupational band		Male				Femal	е		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid- management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	1	0	0	2	0	0	0	5
Semi-skilled and discretionary decision making	15	0	0	0	12	0	0	0	27
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	17	1	0	0	14	0	0	0	32
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 4.6.4 Promotions for the period 1 April 2019 to 31 March 2020

Occupational band		Male	1			Fem	ale		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	0	0	0	0	0	0	0	0	0
Top Management									
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid- management	0	0	0	0	0	0	0	1	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	3	0	0	0	2	0	0	6
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	1	3				2		1	7
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 4.6.5 Terminations for the period 1 April 2019 to 31 March 2020

Occupational band		Male)			Fema	ale		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid- management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6	5	0	0	1	1	0	1	14
Semi-skilled and discretionary decision making	6	8	0	0	1	1	0	0	16
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	12	13	0	0	2	2	0	1	30
Employees with Disabilities									

Table 4.6.7 Skills development for the period 1 April 2019 to 31 March 2020

Occupational		Male			Female				Total
category	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0	0	0	0	0	0	0	0	0
Professionals	12	3	0	0	1	3	0	0	19
Technicians and associate professionals	24	0	0	0	3	0	0	0	27
Clerks	0	0	0	0	0	0	0	0	0
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and	27	33	0	0	7	12	0	0	79
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	63	36	0	0	11	15	0	0	125
Employees with disabilities	0	0	0	0	0	0	0	0	0

4.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 4.7.1Signing of Performance Agreements by SMS members as on 31 May 2019

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	0	0	0	0
SalaryLevel16	0	0	0	0
SalaryLevel15	1	1	1	100%
SalaryLevel14	6	6	6	100%
SalaryLevel13	21	18	17	80%
Total	28	25	23	82%

Table4.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2020

Reasons		
None		

Table 4.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2020.

Reasons		
None		

4.8. Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table4.8.1 Performance Rewards by race, gender and disability for the period 1 April 2019 to 31 March 2020

Race and Gender	B	eneficiary Profile	C	Cost		
	Number of beneficiaries	Number of employees	%of total within group	Cost (R'000)	Average cost per employee	
African						
Male	230	430	53%	R 1 620 101.60	R 7 043.92	
Female	227	327	69%	R 615 913.90	R 2 713.28	
Asian						
Male	0	1	0%	0	0	
Female	2	2	100%	R29 106.70	R14 053.35	
Coloured						
Male	104	105	99%	R 1 325 443.02	R 12 744.64	
Female	30	80	38%	R 1 620 792.18	R 54 026.41	
White						
Male	7	7	100%	R 149 607.40	R 21 372.49	
Female	7	8	88%	R 183 239.14	R 26 177.02	
Total	607	960	64%	R 5 543 203.94	R 9 132.13	

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Table4.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2019 to 31 March 2020

Salary band		Benefici	ary Profile	Co	Total cost as a %of the total	
	Number of beneficiaries	Number of employees	%of total within salary bands	Total Cost (R'000)	Average cost per employee	expenditure
Lower Skilled (Levels1-2)	9	14	80%	R 77 177.69	R 8 575.30	1%
Skilled (level3-5)	415	701	39%	R 2 988 759.70	R 7 201.83	0.24%
Highly skilled production (level 6-8)	156	199	77%	R 1 898 768.18	R 12 171.59	1%
Highly skilled supervision (level9-12)	27	46	59%	R 578 498.37	R 21 425.87	4%
Total	607	960	64%	R 5 543 203 914	R 9 132.13	0.16%

Table4.8.3 Performance Rewards by critical occupation for the period 1 April 2019 to 31 March 2020

Critical occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	%of total within occupation	Total Cost (R'000)	Average cost per employee	
Engineering related	4	4	100%	R 94 000	R 23 500	
Total	4	4	100%	R 94 000	R 23 500	

4.9 Leave utilisation

Table 4.9.1 Sick leave for the period 1 January 2019 to 31 December 2019

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)	21	81	3	0.50	7	13
Skilled (levels 3-5)	2540	88.30	315	52.20	8	1953
Highly skilled production (levels 6-8)	1198.50	84.80	124	20.50	10	1874
Highly skilled supervision (levels 9 - 12)	583	86.10	77	12.70	8	1601
Top and Senior management (levels 13-16)	104	85.60	16	2.60	7	454
Total	4 446.50	86.98	535	88.57	40	5895

Table 4.9.2 Disability leave (temporary and permanent) for the period 1 January 2019 to 31 December 2019

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)
Skilled (Levels 3-5)	329	100	3	42.90	110	297
Highly skilled production (Levels 6-8)	9	100	2	28.60	5	14
Highly skilled supervision (Levels 9-12)	4	100	1	14.30	4	13
Total	342	100	6	100	57	299

Table 4.9.3 Annual Leave for the period 1 January 2019 to 31 December 2019

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	70	4	18
Skilled Levels 3-5)	11728.26	550	21.32
Highly skilled production (Levels 6-8)	4243	173	24.52
Highly skilled supervision(Levels 9-12)	2744	105	26.13
Senior management (Levels 13-16)	529	23	23
Total	19 314.26	855	23

Table 4.9.4 Capped leave for the period 1 April 2019 to 31 March 2020

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 2020
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels (3-5)	7.25	4	2	38
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision(Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	12	2	6	29
Total	19.25	6	8	38

Table 4.9.5 Leave payouts for the period 1 April 2019 to 31 March 2020

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2019/20 due to non-utilisation of leave for the previous cycle	R 38 269.06	3	R 12 756
Capped leave payouts on termination of service for 2019/20	R 1 163 023.63	20	R 58 151
Current leave payout on termination of service for 2019/20	R 11 700.92	2	R 5 850
Total	R 1 212 993.61	25	R 48 519

4.10 HIV/AIDS & Health Promotion Programmes

Table 4.10.1 Steps taken to reduce the risk of occupational exposure

· _ ·	
Units/categories of employees identified to be at high risk of contracting HIV & related diseases	Key steps taken to reduce the risk
(if any)	
Road Workers	Voluntary testing during Wellness Days

Table 4.10.2 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.	х		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	Х		Ms. Mbekushe – EHW Mr Eugene Lecwedi – Immovable Asset Management Ms. Mantombi Majola – Fleet Entity

HUMAN RESOURCE MANAGEMENT provide the names of the members of the committee and the stakeholder(s) Ms. Khaziwa – EHW that they represent. Ms. Precious Kilane - Financial Inspectorate & Risk management Mr. Bonakele Bingwa – Supply Chain Management Ms. Innocentia Rammutla - HRM Ms. Didintle Phiris - Strategic Planning Ms Pumla Pino – Frances Baard Ms Katlego Rifles - Property Management Ms. Mary Magagane - EPWP Ms. Sharon Louw - Transport Administration Health & Productivity Management х 5. Has the department reviewed its employment policies and practices to Policy 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. х 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. х 7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved. х 8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.

4.11 Injury on duty

Table 4.11.2 Injury on duty for the period 1 April 2019 to 31 March 2020

Nature of injury on duty	Number	% of total
Required basic medical attention only	4	100%
Temporary Total Disablement	0	
Permanent Disablement	0	
Fatal	0	
Total	4	

4.12 Labour Relations

Table 4.12.1 Misconduct and disciplinary hearings finalised for the period 1 April 2019 to31 March 2020

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	5.5%
Verbal warning	0	0
Written warning	1	5.5%
Final written warning	6	33.3%
Suspended without pay	6	33.3%
Fine	0	0
Demotion	0	0
Dismissal	1	5.5%
Not guilty	0	0
Case withdrawn	0	0
Total	18	

Table 4.12.2 Types of misconduct addressed at disciplinary hearings for the period 1 April 2019 to 31 March 2020 March 2020

Type of misconduct	Number	% of total
Abuse of Government Vehicle (Speeding)	7	41.1%
Absenteeism	4	23.5%
Theft /Fraud	5	29.4%
Leaking of Information	0	0
Under the Influence of Alcohol / Violent Conduct	1	5.8%
Sexual Harassment	0	0
False Accusations	0	0
Gross Negligence	1	5.8%
Total	17	

Table 4.12.3 Grievances logged for the period 1 April 2019 to 31 March 2020

Grievances	Number	% of Total
Number of grievances resolved	3	27.27%
Number of grievances not resolved	8	72.72%
Total number of grievances lodged	11	

Table 4.12.4 Disputes logged with Councils for the period 1 April 2019 to 31 March 2020

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

Table 4.12.5 Strike actions for the period 1 April 2019 to 31 March 2020

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

Table 4.12.6 Precautionary suspensions for the period 1 April 2019 to 31 March 2020

Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	305
Cost of suspension(R'000)	

PART E



Kimberley 🕇

Military Base

FINANCIAL INFORMATION

VOTE 5

Annual Financial Statement

for the year ended 31 March 2020

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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 audit of the financial statements

Opinion

- I have audited the financial statements of the Department of Roads and Public Works set out on pages 97 to 179, which comprise the appropriation statement, statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
- 2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Roads and Public Works as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2019 (Act No. 16 of 2019) (DoRA).

Basis for opinion

- 3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
- 4. I am independent of the department in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
- 5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Restatement of corresponding figures

 As disclosed in note 30.1 to the financial statements, the corresponding figures for 31 March 2019 were restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2020.

Uncertainty relating to the future outcome of exceptional litigation

8. With reference to note 16.1 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 are invalid. The ultimate outcome of the matters could not presently be determined and no provision for any liability that may result was made in the financial statements.

Payables

9. As disclosed in note 18.2 to the financial statements, payables of R990 441 000 exceeded the payment term of 30 days, as required by treasury regulation 8.2.3. This amount, in turn, exceeded the R608 000 of voted funds to be surrendered by R989 833 000 as per the statement of financial performance. The amount of R989 833 000 would therefore have constituted unauthorised expenditure had the amounts due been paid in time.

Unauthorised expenditure

10. As disclosed in note 8 to the financial statements, unauthorised expenditure of R26 891 000 that was incurred in the previous years was still awaiting authorisation by the Provincial Legislature.

Other 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 166 to 179 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

- 13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS prescribed by National Treasury and the requirements of the PFMA and DoRA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- 14. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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

Report on the audit of the annual performance report

Introduction and scope

17. In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

- 18. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
- 19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the department for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 2 – Public Works Infrastructure	41 - 44

- 20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
- 21. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programme:
 - Programme 2 Public Works Infrastructure

Other matters

22. I draw attention to the matters below.

Achievement of planned targets

23. Refer to the annual performance report on pages 23 to 55 for information on the achievement of planned targets for the year and explanations provided for the under and overachievement of a significant number of targets.

Adjustment of material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 2 – public works infrastructure. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information

Report on the audit of compliance with legislation

Introduction and scope

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

Annual financial statements

27. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the PFMA. Material misstatements of non-current liabilities, current liabilities and disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified opinion.

Expenditure management

28. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The value, as disclosed in note 22 to the financial statements, is not complete as management was still in the process of quantifying the full extent of the irregular expenditure. The majority of the

irregular expenditure disclosed in the financial statements was caused by the department not following a proper tender process.

29. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

Procurement and contract management

- 30. The preference point system was not applied in some of the procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act (PPPFA) and treasury regulations 16A6.3(b). This non-compliance was identified in the procurement processes for the road maintenance projects.
- 31. Some of the contracts were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of PPPFA and Preferential Procurement Regulations.
- 32. Some of the contracts were extended or modified without the approval of a properly delegated official as required by section 44 of the PFMA and treasury regulations 8.1 and 8.2. Similar non-compliance was also reported in the prior year.
- 33. In some instances, persons in service of the department whose close family members, partners or associates had a private or business interest in contracts awarded by the department failed to disclose such interest, as required by treasury regulation 16A8.4. Similar non-compliance was reported in the previous year and disciplinary action was not taken against the officials involved. This non-compliance was identified in the procurement processes for the vegetation and maintenance control project.

Consequence management

34. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to the auditee failing to institute investigations into irregular expenditure to determine if disciplinary steps need to be taken against liable officials.

Other information

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

Internal control deficiencies

- 39. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
- 40. The leadership of the department did not exercise their oversight responsibility to ensure that proper internal control procedures were developed and implemented that would have enabled the department to produce accurate and complete financial reports. No action was taken on material findings on laws and regulations that were reported in the previous year.

Further to that, ineffective monitoring and guidance was provided on the regulated transactions in the current year.

- 41. The accounting officers and senior management did not create an effective control environment to promote financial reporting disciplines. Repeat and new findings were identified on transactions, balances and disclosures in the financial statements and activities in the performance report. Of concern is the impact of the control environment on compliance requirements.
- 42. The annual financial statements were subjected to material amendments that can be attributed to weaknesses in the implementation of controls. In addition, the collation of different information from various units for incorporation into the financial statements was not done in time to allow for sufficient and adequate reviews.

Auditor General

Kimberley

30 September 2020



Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

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

Financial statements

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

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

Communication with those charged with governance

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

VOTE 5

APPROPRIATION STATEMENT

for the year ended 31 March 2020

				2019/20					2018/19
Voted funds and Direct charges	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1 ADMINISTRATION	168,488	I	(9,069)	159,419	158,834	585	99.6%	155,043	155,002
2 PUBLIC WORKS INFRASTRUCTURE	230,092	ı	6,929	237,021	237,011	10	100.0%	158,290	158,254
3 TRANSPORT INFRASTRUCTURE	1,390,722	'	2,699	1,393,421	1,393,413	8	100.0%	1,354,415	1,354,393
4 COMMUNITY BASED PROGRAMME	124,185	'	(220)	123,626	123,621	5	100.0%	120,196	120,189
Programme sub total	1,913,487	•		1,913,487	1,912,879	608	100.0%	1,787,944	1,787,838
Statutory Appropriation		•	•	•		•	•	•	
TOTAL	1,913,487	•	I	1,913,487	1,912,879	608	100.0%	1,787,944	1,787,838
Reconciliation with Statement of Financial Performance Add:	erformance								
Departmental receipts				1,197	'			330	'
Actual amounts per Statement of Financial Performance (Total Revenue)	^o erformance (Total			1,914,684	•			1,788,274	
Actual amounts per Statement of Financial Performance Expenditure	Performance				1,912,879				1,787,838

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VOTE 5

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Appro	Appropriation per economic classification									
					2019/20				2018/19	19
		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
Cur	Current payments	1,541,358	(35,157)	(1,130)	1,505,071	1,504,408	663	100.0%	1,519,149	1,518,633
	Compensation of employees	324,822	(12,060)	(9,443)	303,319	302,669	650	99.8%	300,663	300,163
	Salaries and wages	279,265	(6,223)	(9,280)	263,762	263,211	551	99.8%	262,068	261,584
	Social contributions	45,557	(5,837)	(163)	39,557	39,458	66	99.7%	38,595	38,579
	Goods and services	1,216,536	(23,097)	8,313	1,201,752	1,201,739	13	100.0%	1,218,486	1,218,470
	Administrative fees	1,123	(23)	'	1,070	1,069	-	99.9%	1,047	1,045
	Advertising	489	(204)	'	285	284	~	99.6%	232	231
	Minor assets	712	(330)	'	382	382	•	100.0%	283	282
	Audit costs: External	9,145	136		9,281	9,281	•	100.0%	8,597	8,597
	Bursaries: Employees	430	22	'	452	452	•	100.0%	337	337
	Catering: Departmental activities	764	(241)		523	522	~	99.8%	825	824
	Communication (G&S)	3,145	46	ı	3,191	3,190	~	100.0%	2,814	2,813
	Computer services	39,571	(16,162)	288	23,697	23,697		100.0%	23,838	23,838
	Consultants: Business and advisory services	7,655	11,831	'	19,486	19,486	ı	100.0%	17,205	17,205
	Infrastructure and planning services	5,995	0	8,012	14,016	14,016	ı	100.0%	22,313	22,313
	Laboratory services	7	(7)	ı	ı	ı	ı	I	I	I
	Legal services	3,453	2,279	ı	5,732	5,732	ı	100.0%	6,202	6,202
	Contractors	779,344	102,330		881,674	881,673	-	100.0%	853,044	853,044
tran	Fleet services (including government motor transport)	4,631	2,661	13	7,305	7,304	-	100.0%	3,885	3,884
	Inventory: Clothing material and accessories	200	(200)	'	I	•	·	I	178	178
	Inventory: Materials and supplies	104,589	(37,617)	1	66,972	66,972	1	100.0%	79,594	79,594
	Consumable supplies	3,540	(1,238)	ı	2,302	2,302	ı	100.0%	1,732	1,729
	Consumable: Stationery, printing and office supplies	2,445	(658)	•	1,787	1,787	•	100.0%	1,789	1,787
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VOTE 5

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Appropriation per economic classification

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				07/81.07				/01.07	18
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	180,240	(86,157)	•	94,083	94,082	~	100.0%	133,508	133,507
Property payments	37,380	2,874	·	40,254	40,252	2	100.0%	31,117	31,117
Transport provided: Departmental activity	ı	ı	ı		·	•	1	82	82
Travel and subsistence	24,385	(333)	ı	24,052	24,049	З	100.0%	24,852	24,851
Training and development	5,423	(3,185)	·	2,238	2,238	'	100.0%	3,994	3,994
Operating payments	313	(174)	·	139	139	'	100.0%	337	336
Venues and facilities	1,060	4		1,104	1,103	~	99.9%	614	613
Rental and hiring	497	1,230	·	1,727	1,727	'	100.0%	67	67
Transfers and subsidies	164,694	•	664	165,358	165,354	4	100.0%	68,531	68,529
Provinces and municipalities	153,712			153,712	153,712	'	100.0%	60,335	60,335
Municipalities	153,712	ı	ı	153,712	153,712	'	100.0%	60,335	60,335
Municipal bank accounts	153,712	ı	ı	153,712	153,712	'	100.0%	60,335	60,335
Departmental agencies and accounts	913	'		913	913	'	100.0%	966	996
Departmental agencies	913	'		913	913	'	100.0%	966	996
Households	10,069	'	664	10,733	10,729	4	100.0%	7,230	7,228
Social benefits	3,614	115	605	4,334	4,332	2	100.0%	4,180	4,179
Other transfers to households	6,455	(115)	59	6,399	6,397	2	100.0%	3,050	3,049
Payments for capital assets	207,435	35,157	466	243,058	243,051	7	100.0%	200,264	200,251
Buildings and other fixed structures	200,354	32,956	225	233,535	233,534	~	100.0%	191,226	191,224
Buildings	3,584	(982)	(572)	2,030	2,030	'	100.0%	4,336	4,336
Other fixed structures	196,770	33,938	797	231,505	231,504	~	100.0%	186,890	186,888
Machinery and equipment	7,031	2,184	241	9,456	9,450	9	99.9%	9,020	9,010
Transport equipment	5,345	1,803	251	7,399	7,398	-	100.0%	7,338	7,336

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VOTE 5

APPROPRIATION STATEMENT

for the year ended 31 March 2020

classification
economic
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Appropriation

				2019/20				2018/19	19
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other machinery and equipment	1,686	381	(10)	2,057	2,052	5	8°66	1,682	1,674
Software and other intangible assets	50	17	'	67	67		100.0%	18	17
Payment for financial assets	-	•	•	•	66	(99)	-	•	425
	1,913,487	•	•	1,913,487	1,912,879	608	100.0%	1,787,944	1,787,838



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APPROPRIATION STATEMENT

for the year ended 31 March 2020

ogramme 1: ADMINISTRATION	
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Programme 1: AUMINISTRATION									
				2019/20				2018/19	/19
	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	12,303	404	'	12,707	12,705	2	100.0%	10,853	10,850
2 MANAGEMENT OF THE DEPARTMENT	19,889	1,059	(3,284)	17,664	17,662	2	100.0%	17,954	17,951
3 CORPORATE SUPPORT	128,018	(718)	(5,785)	121,515	120,935	580	99.5%	119,914	119,880
4 DEPARTMENTAL STRATEGY	8,278	(745)	'	7,533	7,532	-	100.0%	6,322	6,321
	168,488	-	(6),069)	159,419	158,834	282	%9 .66	155,043	155,002
	-		_						
Economic classification									
Current payments	163,759	ı	(8,901)	154,858	154,210	648	%9 .66	147,397	147,215
Compensation of employees	107,986	(1,358)	(8,901)	97,727	97,082	645	99.3%	94,926	94,747
Salaries and wages	94,216	(681)	(8,738)	84,797	84,252	545	99.4%	82,727	82,558
Social contributions	13,770	(677)	(163)	12,930	12,830	100	99.2%	12,199	12,189
Goods and services	55,773	1,358	'	57,131	57,128	3	100.0%	52,471	52,468
Administrative fees	469	4	'	473	474	(1)	100.2%	540	539
Advertising	123	66	1	189	188	~	99.5%	58	58
Minor assets	443	(161)	1	252	252	I	100.0%	146	146
Audit costs: External	9,145	136	1	9,281	9,281	I	100.0%	8,597	8,597
Bursaries: Employees	430	22	'	452	452	I	100.0%	337	337
Catering: Departmental activities	366	(113)	'	253	253	I	100.0%	390	390
Communication (G&S)	2,056	333	'	2,389	2,388	-	100.0%	2,107	2,107
Computer services	2,553	(437)	'	2,116	2,116	I	100.0%	2,582	2,582
Consultants: Business and advisory services	2,537	2,409	'	4,946	4,946	•	100.0%	3,060	3,060

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VOTE 5

APPROPRIATION STATEMENT

for the year ended 31 March 2020

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Programme 1: ADMINISTRATION									
				2019/20				2018/19	/19
	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
Legal services	742	465	I	1,207	1,207	•	100.0%	613	613
Contractors	344	(40)		304	304	'	100.0%	182	182
Fleet services (including government motor transport)	3,325	(1,899)	•	1,426	1,426	'	100.0%	2,990	2,990
Consumable supplies	1,065	(615)	•	450	450	'	100.0%	510	510
Consumable: Stationery, printing and office supplies	1,418	(303)	•	1,115	1,116	(1)	100.1%	1,108	1,107
Operating leases	2,213	(946)		1,267	1,267	'	100.0%	1,701	1,701
Property payments	19,307	3,955		23,262	23,262	'	100.0%	18,535	18,535
Transport provided: Departmental activity	ı	'			ı	'		82	82
Travel and subsistence	6,366	(378)		5,988	5,986	2	100.0%	7,377	7,377
Training and development	2,129	(1,182)		947	947	'	100.0%	888	888
Operating payments	39	7	ı	41	41	'	100.0%	219	218
Venues and facilities	703	69	ı	772	771	~	99.9%	445	445
Rental and hiring	I	~	ı	-	~	'	100.0%	4	4
Transfers and subsidies	1,698	1	122	1,820	1,819	-	99.9%	1,807	1,805
Departmental agencies and accounts	913	ı	I	913	913	ı	100.0%	966	966
Departmental agencies	913	'		913	913	1	100.0%	966	966
Households	785	'	122	907	906	~	99.9%	841	839
Social benefits	39	115	122	276	276	'	100.0%	109	108
Other transfers to households	746	(115)	ı	631	630	~	99.8%	732	731
Payments for capital assets	3,031	1	(290)	2,741	2,739	7	99.9%	5,839	5,836
Machinery and equipment	3,002	(16)	(290)	2,696	2,694	2	99.9%	5,833	5,831
Transport equipment	2,009	(395)	(290)	1,324	1,323	~	99.9%	4,920	4,920
Other machinery and equipment	993	379	'	1,372	1,371	~	99.9%	913	911

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

1: J	ADMINISTRATION	
1: J	STRATION	
	ogramme 1: ADMINI	

				2019/20				2018/19	/19
	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
Software and other intangible assets	29	16	1	45	45	•	100.0%	9	5
Payment for financial assets	-		-	-	66	(99)	•		146
	168,488	•	(6),069)	159,419	158,834	285	%9.66	155,043	155,002

Subprogramme: 1.1: OFFICE OF THE MEC									
				2019/20				2018/19	19
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	11,494	349	-	11,843	11,842	1	100.0%	9,928	9,926
Compensation of employees	7,638	813	'	8,451	8,450	1	100.0%	5,907	5,906
Goods and services	3,856	(464)	'	3,392	3,392		100.0%	4,021	4,020
Transfers and subsidies	340	(10)	•	270	269	1	9.6 %	338	337
Households	340	(20)	'	270	269	1	99.6%	338	337
Payments for capital assets	469	125	•	594	594		100.0%	587	587
Machinery and equipment	462	117	'	579	579	ı	100.0%	587	587
Software and other intangible assets	7	8	'	15	15	-	100.0%	I	I
Total	12,303	404	•	12,707	12,705	2	100.0%	10,853	10,850

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Subprogramme: 1.2: MANAGEMENT OF THE DEPARTMENT	E DEPARTMENT								
				2019/20				2018/19	/19
	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	19,721	958	(3,284)	17,395	17,394	-	100.0%	17,852	17,850
Compensation of employees	15,484	(1,365)	(3,284)	10,835	10,835	•	100.0%	12,842	12,841
Goods and services	4,237	2,323	·	6,560	6,559	-	100.0%	5,010	5,009
Payments for capital assets	168	101	•	269	268	-	%9 .66	102	101
Machinery and equipment	153	93	ı	246	245	-	60.6%	102	101
Software and other intangible assets	15	8	ı	23	23	'	100.0%	ı	ı
Total	19,889	1,059	(3,284)	17,664	17,662	2	100.0%	17,954	17,951

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Subprogramme: 1.3: CORPORATE SUPPORT	DRT								
				2019/20				2018/19	/19
	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	124,266	(562)	(5,617)	118,087	117,442	645	66.5 %	113,312	113,203
Compensation of employees	77,522	(332)	(5,617)	71,573	70,930	643	99.1%	70,344	70,235
Goods and services	46,744	(230)		46,514	46,512	7	100.0%	42,968	42,968
Transfers and subsidies	1,358	20	122	1,550	1,550		100.0%	1,458	1,457
Departmental agencies and accounts	913	ı		913	913	ı	100.0%	996	996
Households	445	70	122	637	637		100.0%	492	491
Payments for capital assets	2,394	(226)	(290)	1,878	1,877	1	6. 66	5,144	5,142
Machinery and equipment	2,387	(226)	(290)	1,871	1,870	-	6. 66	5,138	5,137
Software and other intangible assets	7	•		2	7	ı	100.0%	9	5
Payment for financial assets	-	•	-		66	(66)			78
Total	128,018	(718)	(5,785)	121,515	120,935	580	%9`66	119,914	119,880

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Subprogramme: 1.4: DEPARTMENTAL STRATEGY	- STRATEGY								
				2019/20				2018/19	19
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	8,278	(745)	•	7,533	7,532	~	100.0%	6,305	6,236
Compensation of employees	7,342	(474)		6,868	6,867	~	100.0%	5,833	5,765
Goods and services	936	(271)	·	665	665	·	100.0%	472	471
Transfers and subsidies			•	•		•		11	11
Households	ı		•	'	'	'	'	11	1
Payments for capital assets		1	•	'	•	•		9	9
Machinery and equipment	I	I	'	I	ı	ı	I	9	9
Payment for financial assets	I	-	1	•		•	I	I	68
Total	8,278	(745)	•	7,533	7,532	-	400.0%	6,322	6,321





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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Programme 2: PUBLIC WORKS INFRASTRUCTURE									
				2019/20				2018/19	/19
	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	2,211	(392)	I	1,819	1,817	2	%6.66	1,859	1,857
2 DESIGN	14,756	(642)	9	14,120	14,117	З	100.0%	14,237	14,235
3 CONSTRUCTION	7,728	1,130	33	8,891	8,891	I	100.0%	7,772	7,770
4 MAINTENANCE	27,098	(809)	487	26,977	26,975	2	100.0%	24,367	24,342
5 IMMOVABLE ASSET MANAGEMENT	171,109	907	6,403	178,419	178,418	~	100.0%	102,116	102,115
6 FACILITY OPERATIONS	7,190	(395)	ı	6,795	6,793	2	100.0%	7,939	7,935
	230,092	•	6,929	237,021	237,011	10	100.0%	158,290	158,254
Economic classification									
Current payments	84,664	'	6,376	91,040	91,034	9	100.0%	92,933	92,621
Compensation of employees	46,957	(262)	(22)	46,343	46,342	~	100.0%	42,586	42,280
Salaries and wages	40,515	(12)	(22)	40,481	40,480	~	100.0%	37,180	36,879
Social contributions	6,442	(580)	•	5,862	5,862	ı	100.0%	5,406	5,401
Goods and services	37,707	592	6,398	44,697	44,692	5	100.0%	50,347	50,341
Administrative fees	308	(78)	ı	230	228	2	99.1%	231	231
Advertising	105	(18)	ı	87	87	ı	100.0%	111	111
Minor assets	49	(7)	ı	42	41	~	97.6%	106	105
Catering: Departmental activities	21	(9)	ı	15	15	'	100.0%	50	50
Communication (G&S)	973	(274)	'	669	669		100.0%	607	606
		1000							

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606 3,830

607 3,830

100.0% 100.0%

669 1,804

669 1,804

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(274) (363)

Communication (G&S) Computer services

2,167

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Pro	Programme 2: PUBLIC WORKS INFRASTRUCTURE									
					2019/20				2018/19	/19
		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	450	(6)	•	441	441		100.0%	162	162
	Infrastructure and planning services	4,787	ı	6,398	11,185	11,185	•	100.0%	21,721	21,720
	Legal services	1,435	1,353	•	2,788	2,788	'	100.0%	3,174	3,174
	Contractors	75	14	'	89	88	~	98.9%	132	131
	Fleet services (including government motor transport)	1,269	961	•	2,230	2,230		100.0%	67	67
	Inventory: Clothing material and accessories	47	(47)	'	ı	I	ı	I	I	I
	Inventory: Materials and supplies	22	75	'	97	67	ı	100.0%	249	249
	Consumable supplies	103	(2)	'	101	101	1	100.0%	152	152
	Consumable: Stationery, printing and office supplies	383	(78)	'	305	305	'	100.0%	338	337
	Operating leases	2,675	1,262	'	3,937	3,937	ı	100.0%	3,047	3,046
	Property payments	18,073	(1,081)	'	16,992	16,990	2	100.0%	12,582	12,582
	Travel and subsistence	4,654	(1,092)	'	3,562	3,563	(1)	100.0%	3,738	3,738
	Operating payments	41	(18)	'	23	23	ı	100.0%	48	48
	Venues and facilities	70	'	'	70	20	ı	100.0%	2	2
	Transfers and subsidies	143,841	1	22	143,863	143,862	1	100.0%	60,335	60,335
	Provinces and municipalities	143,712	'	'	143,712	143,712	'	100.0%	60,335	60,335
	Municipalities	143,712	1	'	143,712	143,712	ı	100.0%	60,335	60,335
	Municipal bank accounts	143,712	'	'	143,712	143,712	'	100.0%	60,335	60,335
	Households	129	'	22	151	150	.	99.3%	I	ı
	Social benefits	129	1	22	151	150	~	99.3%	I	ı
	Payments for capital assets	1,587	ı	531	2,118	2,115	ю	%6.66	5,022	5,019
	Buildings and other fixed structures	95	I		95	95	ľ	100.0%	4,336	4,336
1										

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Programme 2: PUBLIC WORKS INFRASTRUCTURE

				2019/20				2018/19	/19
	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	95	•	'	96	95	'	100.0%	4,336	4,336
Machinery and equipment	1,478	(1)	531	2,008	2,005	3	%6 .66	686	683
Transport equipment	1,068	'	541	1,609	1,609	•	100.0%	175	175
Other machinery and equipment	410	(1)	(10)	399	396	3	99.2%	511	508
Software and other intangible assets	14	~	'	15	15	•	100.0%	'	I
Payment for financial assets	•	'	•		-	•	1	1	279
	230,092	•	6,929	237,021	237,011	10	100.0%	158,290	158,254

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Subprogramme: 2.1: PROGRAMME SUPPORT									
				2019/20				5018/10	/19
	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	2,179	(392)	•	1,787	1,786	١	%6.66	1,823	1,821
Compensation of employees	1,844	(193)	ı	1,651	1,651	'	100.0%	1,620	1,619
Goods and services	335	(199)	·	136	135	~	99.3%	203	202
Payments for capital assets	32	•		32	31	-	96.9%	36	36
Machinery and equipment	25	(1)	I	24	23	~	95.8%	36	36
Software and other intangible assets	7	1		8	8		100.0%	I	1
Total	2,211	(392)	•	1,819	1,817	2	9.9%	1,859	1,857

14,235 2,050 108 108 12,077 Actual Expenditure 14,127 R'000 2018/19 Final Appropriation 2,050 110 110 14,237 14,127 12,077 R'000 Expenditure as % of final appropriation 100.0% 100.0% 100.0% 99.9% 97.5% 97.5% % 2 ı. 2 ~ ~ ო Variance R'000 Actual Expenditure 14,078 11,480 2,598 39 14,117 39 R'000 Final Appropriation 14,120 14,080 11,480 2,600 4 40 2019/20 R'000 r. 9 9 9 ı. ı. Virement R'000 (594) (642) (642) (48) • ı Shifting of Funds R'000 Adjusted Appropriation 14,756 14,722 11,528 3,194 34 34 R'000 Compensation of employees Subprogramme: 2.2: DESIGN Machinery and equipment Payments for capital assets Economic classification Goods and services **Current payments** Total

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Subprogramme: 2.3: CONSTRUCTION									
				2019/20				2018/19	/19
	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	2,390	1,130		8,520	8,520	•	100.0%	7,738	7,736
Compensation of employees	3,657	137	I	3,794	3,794	I	100.0%	2,197	2,196
Goods and services	3,733	993	I	4,726	4,726	I	100.0%	5,541	5,540
Payments for capital assets	338	'	33	371	371	•	100.0%	34	34
Machinery and equipment	331	ı	33	364	364	I	100.0%	34	34
Software and other intangible assets	7	ı	I	7	7	I	100.0%	'	ı
Total	7,728	1,130	33	8,891	8,891	•	100.0%	7,772	7,770

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Subprogramme: 2.4: MAINTENANCE									
				2019/20				2018/19	/19
	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	25,861	(608)	•	25,253	25,252	-	100.0%	21,443	21,142
Compensation of employees	14,494	148	ı	14,642	14,642		100.0%	14,840	14,541
Goods and services	11,367	(756)	ı	10,611	10,610	~	100.0%	6,603	6,601
Transfers and subsidies	129	I	ı	129	128	1	99.2%		•
Households	129	I	I	129	128	-	99.2%	ı	ı
Payments for capital assets	1,108	I	487	1,595	1,595	•	100.0%	2,924	2,923
Buildings and other fixed structures	95	I	ı	95	95		100.0%	2,561	2,561
Machinery and equipment	1,013	I	487	1,500	1,500	'	100.0%	363	362
Payment for financial assets	I	I	I		1	•			277
Total	27,098	(608)	487	26,977	26,975	2	100.0%	24,367	24,342

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Subprogramme: 2.5: IMMOVABLE ASSET MANAGEMENT	SET MANAGEMENT								
				2019/20				2018/19	/19
	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	27,331	206	6,376	34,614	34,614	•	100.0%	41,661	41,660
Compensation of employees	12,723	(521)	(22)	12,180	12,180	•	100.0%	9,413	9,413
Goods and services	14,608	1,428	6,398	22,434	22,434	'	100.0%	32,248	32,247
Transfers and subsidies	143,712	'	22	143,734	143,734	•	100.0%	60,335	60,335
Provinces and municipalities	143,712			143,712	143,712	•	100.0%	60,335	60,335
Households	'	'	22	22	22	'	100.0%		'
Payments for capital assets	99	•	5	71	70	-	98.6%	120	120
Machinery and equipment	66	ı	5	71	70	-	98.6%	120	120
Total	171,109	907	6,403	178,419	178,418	1	100.0%	102,116	102,115

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Subprogramme: 2.6: FACILITY OPERATIONS									
				2019/20				2018/19	/19
	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	7,181	(395)	•	6,786	6,784	2	100.0%	6,141	6,135
Compensation of employees	2,711	(115)	·	2,596	2,595	~	100.0%	2,439	2,434
Goods and services	4,470	(280)	I	4,190	4,189	-	100.0%	3,702	3,701
Payments for capital assets	6	•	•	6	6	•	100.0%	1,798	1,798
Buildings and other fixed structures	ı	•	I	I	ı	ı	I	1,775	1,775
Machinery and equipment	0	•	•	6	6	ı	100.0%	23	23
Payment for financial assets	I	•	'	I	I		1		3
Total	7,190	(395)	1	6,795	6,793	2	100.0%	7,939	7,935



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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Programme 3: TRANSPORT INFRASTRUCTURE									
				2019/20				2018/19	/19
	Adjusted Appropriat ion	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	9,421	128	•	9,549	9,547	2	100.0%	6,843	6,840
2 INFRASTRUCTURE PLANNING	38,186	(14,698)	288	23,776	23,775	~	100.0%	21,134	21,132
3 INFRASTRUCTURE DESIGN	4,593	(443)	•	4,150	4,149	-	100.0%	4,217	4,215
4 CONSTRUCTION	69,255	4,637	797	74,689	74,688	~	100.0%	73,870	73,868
5 MAINTENANCE	1,269,267	10,376	1,614	1,281,257	1,281,254	S	100.0%	1,248,351	1,248,338
	1,390,722	•	2,699	1,393,421	1,393,413	8	100.0%	1,354,415	1,354,393
Economic classification									
Current payments	1,213,621	(35,157)	1,382	1,179,846	1,179,841	5	100.0%	1,196,517	1,196,499
Compensation of employees	154,810	(9,701)	(520)	144,589	144,587	2	100.0%	150,789	150,775
Salaries and wages	131,538	(5,460)	(520)	125,558	125,555	З	100.0%	131,194	131,181
Social contributions	23,272	(4,241)	ı	19,031	19,032	(1)	100.0%	19,595	19,594
Goods and services	1,058,811	(25,456)	1,902	1,035,257	1,035,254	3	100.0%	1,045,728	1,045,724
Administrative fees	249	(8)	1	241	241	ı	100.0%	212	211
Advertising	261	(252)	1	0	6	ı	100.0%	17	16
Minor assets	114	(86)	1	16	17	(1)	106.3%	19	19
Catering: Departmental activities	162	(40)	ı	122	122	ı	100.0%	200	200
Communication (G&S)	116	(13)	1	103	103	ı	100.0%	100	100
Computer services	34,783	(15,294)	288	19,777	19,777	I	100.0%	17,426	17,426

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Programme 3: TRANSPORT INFRASTRUCTURE									
				2019/20				2018/19	8/19
	Adjusted Appropriat ion	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	'	106	•	106	106	•	100.0%		
Infrastructure and planning services	1,208	0	1,614	2,831	2,831	ı	100.0%	592	593
Laboratory services	7	(2)	'	I	I	ı	ı	I	ı
Legal services	1,276	461	•	1,737	1,737	ı	100.0%	2,415	2,415
Contractors	727,208	111,929	•	839,137	839,137	ı	100.0%	804,925	804,926
Fleet services (including government motor transport)	-	2,939	ı	2,940	2,939	۲	100.0%	805	804
Inventory: Materials and supplies	104,567	(39,240)	'	65,327	65,328	(1)	100.0%	78,600	78,600
Consumable supplies	1,252	(391)	'	861	861	ı	100.0%	801	266
Consumable: Stationery, printing and office supplies	570	(255)	ı	315	315	1	100.0%	284	284
Operating leases	175,352	(86,473)	'	88,879	88,878	~	100.0%	128,694	128,694
Travel and subsistence	10,820	595	'	11,415	11,412	З	100.0%	10,471	10,470
Training and development	•	198	'	198	198	ı	100.0%	ı	ı
Operating payments	233	(158)	'	75	75	ı	100.0%	70	70
Venues and facilities	135	(14)	'	121	121	ı	100.0%	35	35
Rental and hiring	497	550	'	1,047	1,047	ı	100.0%	62	62
Transfers and subsidies	9,155		520	9,675	9,673	2	100.0%	6,389	6,389
Households	9,155		520	9,675	9,673	2	100.0%	6,389	6,389
Social benefits	3,446		461	3,907	3,906	-	100.0%	4,071	4,071
Other transfers to households	5,709		59	5,768	5,767	-	100.0%	2,318	2,318

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Programme 3: TRANSPORT INFRASTRUCTURE									
				2019/20				5018/10	/19
	Adjusted Appropriat ion	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	167,946	35,157	797	203,900	203,899	-	100.0%	151,509	151,505
Buildings and other fixed structures	165,953	33,028	797	199,778	199,777	1	100.0%	149,126	149,125
Other fixed structures	165,953	33,028	797	199,778	199,777	4	100.0%	149,126	149,125
Machinery and equipment	1,993	2,129	ı	4,122	4,122	•	100.0%	2,376	2,373
Transport equipment	1,825	2,076	ı	3,901	3,902	(1)	100.0%	2,182	2,181
Other machinery and equipment	168	53	ı	221	220	4	99.5%	194	192
Software and other intangible assets	I	·	ı	I	ı	•	ı	7	7
	1,390,722	I	2,699	1,393,421	1,393,413	8	100.0%	1,354,415	1,354,393

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Subprogramme: 3.1: PROGRAMME SUPPORT INFRASTRUCTURE	PPORT INFRASTRU	ICTURE							
				2019/20				2018/19	/19
	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	3,698	128	(59)	3,767	3,766	-	100.0%	4,615	4,612
Compensation of employees	1,966	(49)	(59)	1,858	1,857	-	%6.66	1,842	1,841
Goods and services	1,732	177	I	1,909	1,909		100.0%	2,773	2,771
Transfers and subsidies	5,709		59	5,768	5,767	-	100.0%	2,226	2,226
Households	5,709	I	59	5,768	5,767	-	100.0%	2,226	2,226
Payments for capital assets	14	ı	ı	14	14	•	100.0%	7	7
Machinery and equipment	14	I	I	14	14	'	100.0%	2	0
Total	9,421	128	-	9,549	9,547	2	100.0%	6,843	6,840

Subprogramme: 3.2: INFRASTRUCTURE PLANNING

Subprogramme: 3.2: INFRASTRUCTORE FLANNING									
				2019/20				2018/19	19
	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	38,186	(14,698)	288	23,776	23,775	1	100.0%	21,124	21,123
Compensation of employees	3,054	558	ı	3,612	3,612	ı	100.0%	3,151	3,150
Goods and services	35,132	(15,256)	288	20,164	20,163	~	100.0%	17,973	17,973
Payments for capital assets	•	•	·	'	ı	·		10	6
Machinery and equipment	ı		ı	I	I	ı	ı	10	0
Total	38,186	(14,698)	288	23,776	23,775	1	100.0%	21,134	21,132

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Subprogramme: 3.3: INFRASTRUCTURE DESIGN	DESIGN								
				2019/20				2018/19	19
	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	4,570	(443)	•	4,127	4,126	-	100.0%	4,209	4,207
Compensation of employees	3,707	(256)	I	3,451	3,450	~	100.0%	3,597	3,597
Goods and services	863	(187)	I	676	676	•	100.0%	612	610
Payments for capital assets	23	•	•	23	23	•	100.0%	8	8
Machinery and equipment	23	1	ı	23	23	•	100.0%	Ø	80
Total	4,593	(443)	•	4,150	4,149	1	100.0%	4,217	4,215

Subprogramme: 3.4: CONSTRUCTION									
				2019/20				2018/19	19
	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	260'2	(297)	•	008'9	6,799	1	100.0%	5,717	5,716
Compensation of employees	6,225	(292)	ı	5,933	5,933		100.0%	4,835	4,834
Goods and services	872	(5)	1	867	866	-	99.9%	882	882
Transfers and subsidies		•	•			•	•	111	111
Households	ı	•		ı	I		ı	111	111
Payments for capital assets	62,158	4,934	797	67,889	67,889	•	100.0%	68,042	68,041
Buildings and other fixed structures	62,103	4,934	797	67,834	67,834		100.0%	67,973	67,972
Machinery and equipment	55			55	55	-	100.0%	69	69
Total	69,255	4,637	797	74,689	74,688	1	100.0%	73,870	73,868

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Subprogramme: 3.5: MAINTENANCE									
				2019/20				2018/19	19
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1,160,070	(19,847)	1,153	1,141,376	1,141,375	-	100.0%	1,160,852	1,160,841
Compensation of employees	139,858	(9,662)	(461)	129,735	129,735	•	100.0%	137,364	137,353
Goods and services	1,020,212	(10,185)	1,614	1,011,641	1,011,640	-	100.0%	1,023,488	1,023,488
Transfers and subsidies	3,446	•	461	3,907	3,906	-	100.0%	4,052	4,052
Households	3,446	•	461	3,907	3,906	-	100.0%	4,052	4,052
Payments for capital assets	105,751	30,223	•	135,974	135,973	~	100.0%	83,447	83,445
Buildings and other fixed structures	103,850	28,094	·	131,944	131,943	~	100.0%	81,153	81,153
Machinery and equipment	1,901	2,129	·	4,030	4,030	ı	100.0%	2,287	2,285
Software and other intangible assets	I		'	I	I	ľ	I	7	7
Total	1,269,267	10,376	1,614	1,281,257	1,281,254	3	100.0%	1,248,351	1,248,338





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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Programme 4: COMMUNITY BASED PROGRAMME	AME								
				2019/20				2018/19	/19
	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 PROGRAMME SUPPORT COMMUNITY BASED	3,709	(520)	-	3,189	3,187	2	%6.66	3,583	3,580
2 COMMUNITY DEVELOPMENT	107,204	1,386	(223)	108,031	108,030	~	100.0%	104,716	104,715
3 INNOVATION AND EMPOWERMENT	9,595	(899)		8,927	8,926	۲	100.0%	8,842	8,841
4 EPWP CO-ORDINATION AND 4 MONITORING	3,677	(198)	ı	3,479	3,478	-	100.0%	3,055	3,053
	124,185	•	(655)	123,626	123,621	5	100.0%	120,196	120,189
	-								
Economic classification									
Current payments	79,314		13	79,327	79,323	4	100.0%	82,302	82,298
Compensation of employees	15,069	(409)	I	14,660	14,658	2	100.0%	12,362	12,361
Salaries and wages	12,996	(20)	I	12,926	12,924	2	100.0%	10,967	10,966
Social contributions	2,073	(339)		1,734	1,734		100.0%	1,395	1,395
Goods and services	64,245	409	13	64,667	64,665	2	100.0%	69,940	69,937
Administrative fees	97	29	I	126	126	I	100.0%	64	64
Advertising	I		I	I	ı	I	I	46	46
Minor assets	106	(34)	I	72	72	I	100.0%	12	12
Catering: Departmental activities	215	(82)	I	133	132	-	99.2%	185	184
Computer services	68	(68)	I	-	-	-	-	I	

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Programme 4: COMMUNITY BASED PROGRAMME	ME								
				2019/20				2018/19	/19
	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	4,668	9,325	ı	13,993	13,993	'	100.0%	13,983	13,983
Contractors	51,717	(9,573)	•	42,144	42,144	'	100.0%	47,805	47,805
Fleet services (including government motor transport)	36	660	13	602	602	ı	100.0%	23	23
Inventory: Clothing material and accessories	153	(153)	'	1	1	1	'	178	178
Inventory: Materials and supplies	ı	1,548	'	1,548	1,547	-	6.99%	745	745
Consumable supplies	1,120	(230)	'	890	890	•	100.0%	269	268
Consumable: Stationery, printing and office supplies	74	(22)	ı	52	51	+	98.1%	59	59
Operating leases	ı	ı	'	1	'	•	ı	66	66
Travel and subsistence	2,545	542	'	3,087	3,088	(1)	100.0%	3,266	3,266
Training and development	3,294	(2,201)	'	1,093	1,093	•	100.0%	3,106	3,106
Venues and facilities	152	(11)	'	141	141	'	100.0%	132	131
Rental and hiring	I	679	'	679	679	1	100.0%	-	.
Transfers and subsidies	10,000	1	'	10,000	10,000	•	100.0%	1	'
Provinces and municipalities	10,000	I	'	10,000	10,000	1	100.0%	I	1
Municipalities	10,000	ı	'	10,000	10,000	•	100.0%	I	1
Municipal bank accounts	10,000	ı	'	10,000	10,000	1	100.0%	I	ı
Payments for capital assets	34,871	ı	(572)	34,299	34,298	-	100.0%	37,894	37,891
Buildings and other fixed structures	34,306	(72)	(572)	33,662	33,662	1	100.0%	37,764	37,763
Buildings	3,489	(982)	(572)	1,935	1,935	1	100.0%	I	1
Other fixed structures	30,817	910	'	31,727	31,727	'	100.0%	37,764	37,763
Machinery and equipment	558	72	-	630	629	1	99.8%	125	123

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Programme 4: COMMUNITY BASED PROGRAMME	MME								
				2019/20				2018/19	19
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transport equipment	443	122	•	565	564	-	99.8%	61	60
Other machinery and equipment	115	(20)	I	65	65	•	100.0%	64	63
Software and other intangible assets	7	I	I	7	7	·	100.0%	5	5
	124,185	-	(655)	123,626	123,621	5	100.0%	120,196	120,189

Subprogramme: 4.1: PROGRAMME SUPPORT COMMUNITY BASED	COMMUNITY BASI	ED							
				2019/20				2018/19	19
	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	3,678	(520)	•	3,158	3,156	2	%6.66	3,571	3,569
Compensation of employees	3,384	(399)	•	2,985	2,984	-	100.0%	3,239	3,239
Goods and services	294	(121)	ı	173	172	-	99.4%	332	330
Payments for capital assets	31	ı	•	31	31	•	100.0%	12	1
Machinery and equipment	24	ı	•	24	24	•	100.0%	7	9
Software and other intangible assets	7	I	•	7	7		100.0%	5	5
Total	3,709	(520)	-	3,189	3,187	2	%6.66	3,583	3,580

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

				2019/20			_	2018/19	19
	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	62,398	1,549	13	63,960	63,960	•	100.0%	66,889	66,889
Compensation of employees	7,064	(185)	ı	6,879	6,879	·	100.0%	5,016	5,016
Goods and services	55,334	1,734	13	57,081	57,081	ı	100.0%	61,873	61,873
Transfers and subsidies	10,000	ı		10,000	10,000	•	100.0%	'	
Provinces and municipalities	10,000	ı	ı	10,000	10,000		100.0%		
Payments for capital assets	34,806	(163)	(572)	34,071	34,070	+	100.0%	37,827	37,826
Buildings and other fixed structures	34,306	(72)	(572)	33,662	33,662		100.0%	37,764	37,763
Machinery and equipment	500	(91)	ı	409	408	-	99.8%	63	63
Total	107,204	1,386	(559)	108,031	108,030	-	100.0%	104,716	104,715

Subprogramme: 4.3: INNOVATION AND EMPOWERMENT	D EMPOWERMENT								
				2019/20				2018/19	19
	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	9,575	(814)	•	8,761	8,760	-	100.0%	8,825	8,825
Compensation of employees	1,612	218		1,830	1,829	~	99.9%	1,407	1,407
Goods and services	7,963	(1,032)		6,931	6,931	•	100.0%	7,418	7,418
Payments for capital assets	20	146		166	166		100.0%	17	16
Machinery and equipment	20	146	-	166	166		100.0%	17	16
Total	9,595	(668)	I	8,927	8,926	1	100.0%	8,842	8,841

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

Subprogramme: 4.4: EPWP CO-ORDINATION AND MONITORING	TION AND MONIT	DRING							
				2019/20				2018/19	/19
	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	3,663	(215)	•	3,448	3,447	1	100.0%	3,017	3,015
Compensation of employees	3,009	(43)	ı	2,966	2,966	'	100.0%	2,700	2,699
Goods and services	654	(172)	ı	482	481	-	99.8%	317	316
Payments for capital assets	14	17		31	31	•	100.0%	38	38
Machinery and equipment	14	17	I	31	31		100.0%	38	38
Total	3,677	(198)	•	3,479	3,478	1	100.0%	3,055	3,053

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NOTES TO THE APPROPRIATION STATEMENTS for the year ended 31 March 2020

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.

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STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
REVENUE			
Annual appropriation	1	1,913,487	1,787,944
Departmental revenue	<u>2</u>	1,197	330
TOTAL REVENUE	-	1,914,684	1,788,274
EXPENDITURE			
Current expenditure			
Compensation of employees	3 4	302,669	300,162
Goods and services	4	1,201,739	1,218,470
Total current expenditure	L	1,504,408	1,518,632
Transfers and subsidies			
Transfers and subsidies	6	165,354	68,530
Total transfers and subsidies	L	165,354	68,530
Expenditure for capital assets			
Tangible assets	7	242,984	200,235
Intangible assets Total expenditure for capital assets	7	67_ 243,051	17
Total experior une for capital assets		243,051	200,252
Payments for financial assets	5	66	424
TOTAL EXPENDITURE	_	1,912,879	1,787,838
SURPLUS/(DEFICIT) FOR THE YEAR	-	1,805	436

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds		608	106
Annual appropriation		608	106
Conditional grants		-	-
Departmental revenue and NRF Receipts	12	1,197	330
SURPLUS/(DEFICIT) FOR THE YEAR	-	1,805	436

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STATEMENT OF FINANCIAL POSITION

as at 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
ASSETS			
Current assets Unauthorised expenditure Cash and cash equivalents Receivables	8 9 10	44,532 26,891 10,533 7,108	45,741 26,891 11,542 7,308
Non-current assets Receivables	10	-	-
TOTAL ASSETS	-	44,532	45,741
LIABILITIES			
 Current liabilities Voted funds to be surrendered to the Revenue Fund Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund Payables Non-current liabilities Payables TOTAL LIABILITIES NET ASSETS 	11 12 13 14	44,532 608 1,197 42,727 - 44,532 -	45,741 106 330 45,305 - 45,741 -
	Note	2019/20 R'000	2018/19 R'000
Represented by: Capitalisation reserve Recoverable revenue Retained funds Revaluation reserves		- - - -	- - -
TOTAL	-		-

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CASH FLOW STATEMENT

for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,916,317	1,790,057
Annual appropriated funds received	1.1	1,913,487	1,787,944
Departmental revenue received	2	2,830	2,113
Net (increase)/decrease in working capital		(2,378)	2,621
Surrendered to Revenue Fund		(2,069)	(11,522)
Current payments		(1,504,408)	(1,518,632)
Payments for financial assets		(66)	(424)
Transfers and subsidies paid		(165,354)	(68,530)
Net cash flow available from operating activities	15	242,042	193,570
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(243,051)	(200,252)
(Increase)/decrease in non-current receivables		-	-
Net cash flows from investing activities		(243,051)	(200,252)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in non-current payables		_	(1,672)
Net cash flows from financing activities	_	-	(1,672)
Net increase/(decrease) in cash and cash equivalents		(1,009)	(8,354)
Cash and cash equivalents at beginning of period		11,542	19,896
Cash and cash equivalents at end of period	9	10,533	11,542

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

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

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

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

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

	The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.	
7.2	Departmental revenue	
	Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.	
	Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.	
7.3	Accrued departmental revenue	
	Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:	
	 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.	
	The accrued revenue is measured at the fair value of the consideration receivable.	
	Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.	
	Write-offs are made according to the department's debt write-off policy	
8	Expenditure	
8.1	Compensation of employees	
8.1.1 Salaries and wages		
	Salaries and wages are recognised in the statement of financial performance on the date of payment.	
8.1.2	Social contributions	
	Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.	
	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.	
8.2	Other expenditure	
	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.	
8.3	Accruals and payables not recognised	
	Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.	
8.4	Leases	
8.4.1	Operating leases	
	Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.	
	The operating lease commitments are recorded in the notes to the financial statements.	

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

8.4.2	Finance leases
	Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.
	The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.
	 Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: 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	Cash and cash equivalents
	Cash and cash equivalents are stated at cost in the statement of financial position.
	Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.
	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.
10	Prepayments and advances
	Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.
	Prepayments and advances are initially and subsequently measured at cost.
	There were no prepayments or advances.
11	Loans and receivables
	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.
12	Financial assets
12.1	Financial assets (not covered elsewhere)
	A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.
	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.
12.2	
12.2	interest, where interest is charged, less amounts already settled or written-off.
	interest, where interest is charged, less amounts already settled or written-off. Impairment of financial assets 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
	 interest, where interest is charged, less amounts already settled or written-off. Impairment of financial assets 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.
12.2 13 14	 interest, where interest is charged, less amounts already settled or written-off. Impairment of financial assets 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. Payables

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

	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.
15.2	Contingent liabilities
	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.
15.3	Contingent assets
	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.
15.4	Capital commitments
	Capital commitments are recorded at cost in the notes to the financial statements.
16	Unauthorised expenditure
	Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:
	 approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
	• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
	transferred to receivables for recovery.
	Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.
17	Fruitless and wasteful expenditure
	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.
	Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.
	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.
18	Irregular expenditure
	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.
	Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.
	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.
19	Changes in accounting estimates and errors

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

	Changes in accounting estimates are applied prospectively in accordance with MCS requirements.
	Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
20	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.
21	Departures from the MCS requirements
	The financial statements present fairly the department's primary and secondary information. The financial statements of the department comply with the modified cash standards and the department have not departed from a requirement of these standards to achieve fair presentation.
22	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.
23	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.
24	Related party transactions
	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.
	The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.
25	Employee benefits
	The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

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:

	Final Appropriation	2019/20 Actual Funds Received	Funds not requested/n ot received	2018/19 Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration Public Works	159,419	159,419	-	155,043	155,043
Infrastructure Transport	237,021	237,021	-	158,290	158,290
Infrastructure Community Based	1,393,421	1,393,421	-	1,354,415	1,354,415
Programme	123,626	123,626	-	120,196	120,196
Total	1,913,487	1,913,487	-	1,787,944	1,787,944

1.2 Conditional grants

	Note		
		2019/20	2018/19
		R'000	R'000
Total grants received	32 _	1,150,909	1,115,791

2. Departmental revenue

	Note	2019/20	2018/19
		R'000	R'000
Sales of goods and services other than capital assets	2.1	1,705	1,706
Transactions in financial assets and liabilities	2.2	1,125	407
Total revenue collected	_	2,830	2,113
Less: Own revenue included in appropriation	12	(1,633)	(1,783)
Departmental revenue collected		1,197	330

2.1 Sales of goods and services other than capital assets

	Note	2019/20	2018/19
	<u>2</u>	R'000	R'000
Sales of goods and services produced by the department		1,684	1,669
Sales by market establishment		1,169	1,180
Other sales		515	489

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

	Sales of scrap, waste and other used current goods Total	-	21 1,705	<u> </u>
2.2	Transactions in financial assets and liabilities	Note	2019/20	2018/19
		2	R'000	R'000
	Receivables		1,125	407
	Total	_	1,125	407
3.	Compensation of employees			
3.1	Salaries and Wages	Note	2019/20	2018/19
			R'000	R'000
	Basic salary		211,183	206,641
	Performance award Service Based		4,190 397	6,608 702
	Compensative/circumstantial		3,378	3,601
	Periodic payments		203	256
	Other non-pensionable allowances		43,860	43,776
	Total	=	263,211	261,584
2.2	Social contributions			
3.2	Social contributions	Note	2019/20	2018/19
			R'000	R'000
	Employer contributions			
	Pension		25,212	24,756
	Medical		14,148	13,741
	Bargaining council		87	81
	Insurance Total	-	<u>11</u> 39,458	
	i Ulai	=	33,430	30,370
	Total compensation of employees	-	302,669	300,162
	Average number of employees	=	956	957

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

4. Goods and services

	Note	2019/20 R'000	2018/19 R'000
Administrative fees		1,069	1,046
Advertising		285	230
Minor assets	4 <u>.1</u>	383	283
Bursaries (employees)		452	337
Catering		522	824
Communication		3,192	2,813
Computer services	<u>4.2</u>	23,697	23,838
Consultants: Business and advisory services		33,343	39,517
Infrastructure and planning services		160	-
Legal services		5,731	6,203
Contractors		881,672	853,044
Audit cost – external	<u>4.</u> 3	9,281	8,597
Fleet services		7,304	3,883
Inventory	4. <u>4</u>	66,971	79,772
Consumables	4.5	4,088	3,516
Operating leases		94,081	133,507
Property payments	<u>4.</u> 6	40,254	31,117
Rental and hiring		1,727	67
Travel and subsistence	4. <u>7</u>	24,049	24,932
Venues and facilities		1,101	614
Training and development		2,238	3,994
Other operating expenditure	<u>4.</u> 8	139	336
Total	_	1,201,739	1,218,470

Contractors

The item contractors are where the department spent on periodic maintenance and where the larger portion of conditional grants is budgeted

Operating Leases

The decrease in the item is that the district offices did not settle their full account.

4.1 Minor assets

	Note	2019/20 R'000	2018/19 R'000
Tangible assets	<u>4</u>	330	216
Machinery and equipment		330	216
Intangible assets		53	67
Software		53	67
Total	-	383	283
Computer services	Note	2019/20	2018/19
	<u>4</u>	R'000	R'000
SITA computer services	_	2,098	2,562
External computer service providers		21,599	21,276
Total	-	23,697	23,838

4.2

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

4.3 Audit cost – External

4.0	Regularity audits Total	Note <u>4</u> –	2019/20 R'000 <u>9,281</u> 9,281	2018/19 R'000 <u>8,597</u> 8,597
4.4	Inventory Clothing material and accessories Materials and supplies Total	Note <u>4</u>	2019/20 R'000 6,189 60,782 66,971	2018/19 R'000 4,686 75,086 79,772
4.5	Consumables	Note	2019/20	2018/19
		<u>4</u>	R'000	R'000
	Consumable supplies	7	2,302	1,728
	Uniform and clothing	Г	711	486
	Household supplies		559	472
	Building material and supplies		304	-
	IT consumables		145	150
	Other consumables		583	620
	Stationery, printing and office supplies	L	1,786	1,788
	Total	-	4,088	3,516
		_	,	- ,
4.6	Property payments			
		Note	2019/20	2018/19
		<u>4</u>	R'000	R'000
	Municipal services	<u> </u>	5,853	4,477
	Property maintenance and repairs		7,335	4,697
	Other		27,066	21,943
	Total	-	40,254	31,117
		=	=======================================	
4.7	Travel and subsistence			
		Note	2019/20	2018/19
		4	R'000	R'000
	Local		23,896	22,981
	Foreign		153	1,951
	Total	=	24,049	24,932
4.8	Other operating expenditure	N1-4-		
		Note	2019/20 B'000	2018/19
	Professional bodies, membership and subscription fees	<u>4</u>	R'000 34	R'000 105
	Other		105	231
	Total	_	139	336
		=		

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

5. Payments for financial assets

5.1

	Note	2019/20	2018/19
		R'000	R'000
Debts written off	5.1	66	424
Total	=	66	424
Debts written off			
	Note	2019/20	2018/19
	5	R'000	R'000
Nature of debts written off			
Disallowance Miscellaneous		-	354
Debt Account		-	70
Rental deposits		1	-
Tender deposits		64	-
Claims Recoverable - Office of the Premier		1	-
Total	-	66	424
Total debt written off	-	66	424

6. Transfers and subsidies

		2019/20 R'000	2018/19 R'000
	Note		
Provinces and municipalities	33	153,712	60,335
Departmental agencies and accounts	Annexure 1B	913	966
Households	Annexure 1G	10,729	7,229
Total	-	165,354	68,530

7. Expenditure for capital assets

Tangible assets	Note	2019/20 R'000 242,984	2018/19 R'000 200,235
Buildings and other fixed structures	29	233,533	191,225
Machinery and equipment	27	9,451	9,010
Intangible assets		67	17
Software	28	67	17
Total	-	243,051	200,252

4,106

229,427

233,533

5,910

183,539

189,449

The following amounts have been included as project costs in Expenditure for capital assets Compensation of employees Goods and services

Total

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

7.1 Analysis of funds utilised to acquire capital assets – 2019/20

	Voted funds R'000	Total R'000
Tangible assets	242,984	242,984
Buildings and other fixed structures	233,533	233,533
Machinery and equipment	9,451	9,451
Intangible assets	67	67
Software	67	67
Total	243,051	243,051

7.2 Analysis of funds utilised to acquire capital assets – 2018/19

Tangible assets	Voted funds R'000 200,235	Total R'000 200,235
Buildings and other fixed structures	191,225	191,225
Machinery and equipment	9,010	9,010
Intangible assets	17	17
Software	17	17
Total	200,252	200,252

7.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2019/20 R'000	2018/19 R'000
Tangible assets Machinery and equipment	[8,454	8,251
Total	-	8,454	8,251

8. Unauthorised expenditure

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8.1 Reconciliation of unauthorised expenditure

Note	2019/20	2018/19
	R'000	R'000
	26,891	26,891
_	26,891	26,891
-	26,891	26,891
	26,891	26,891
	26,891	26,891
		R'000 26,891 26,891 26,891 26,891

8.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2019/20	2018/19
	R'000	R'000
Capital	26,891	26,891
Total	26,891	26,891

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

8.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2019/20	2018/19
	R'000	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

9. Cash and cash equivalents

	Note	2019/20	2018/19
		R'000	R'000
Consolidated Paymaster General Account		10,533	11,542
Total	-	10,533	11,542

10. Receivables

			2019/20			2018/19	
		Current	Non-current	Total	Current	Non- current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
	Note						
Claims	<u>10.1</u>						
recoverable		3,740	-	3,740	4,842	-	4,842
Recoverable	<u>10.2</u>		-				
expenditure		2,712		2,712	1,765	-	1,765
Staff debt	<u>10.3</u>	656	-	656	701	-	701
Total		7,108	-	7,108	7,308	-	7,308

10.1 Claims recoverable

	Provincial departments Total	Note 10 and Annex 4 	2019/20 R'000 <u>3,740</u> 3,740	2018/19 R'000 <u>4,842</u> 4,842
10.2	Recoverable expenditure (disallowance accounts)	Note	2019/20	2018/19
		10	R'000	R'000
	Disallowance Miscellaneous		2,679	1,655
	Salary Income Tax		31	88
	Salary Disallowance Account		2	2
	Pension recoverable		-	10
	Total		2,712	1,765

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

10.3 Staff debt

	Note 10	2019/20 R'000	2018/19 R'000
Debt Account		655	692
Salary Tax Debt		1	6
Salary Reversal Control		-	3
Total	-	656	701

11. Voted funds to be surrendered to the Revenue Fund

	Note	2019/20	2018/19
		R'000	R'000
Opening balance		106	9,407
As restated	_	106	9,407
Transfer from statement of financial performance (as			
restated)		608	106
Paid during the year	_	(106)	(9,407)
Closing balance	_	608	106

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

	Note	2019/20	2018/19
		R'000	R'000
Opening balance		330	332
As restated		330	332
Transfer from Statement of Financial Performance (as			
restated)		1,197	330
Own revenue included in appropriation		1,633	1,783
Paid during the year		(1,963)	(2,115)
Closing balance		1,197	330

13. Payables – current

	Note	2019/20	2018/19
		R'000	R'000
Amount owing to other entities		40,264	40,264
Other payables	13.1	2,463	5,041
Total	-	42,727	45,305

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

13.1 Other payables

I Other payables	Note	2019/20	2018/19
	13	R'000	R'000
Claims recoverable provincial departments		-	2,769
Disallowance Miscellaneous		1,905	1,895
Salary GEHS Refund		150	37
Salary ACB recalls		-	1
Cancel Cheque/ Re-issue		4	-
Rental deposits		36	35
Tender deposits		368	304
Total	_	2,463	5,041

14. Net cash flow available from operating activities

······································			
	Note	2019/20 R'000	2018/19 R'000
Net surplus/(deficit) as per Statement of Financial			
Performance		1,805	436
Add back non cash/cash movements not deemed operating			
activities		240,237	193,134
(Increase)/decrease in receivables		200	(1,211)
Increase/(decrease) in payables – current		(2,578)	3,832
Expenditure on capital assets		243,051	200,252
Surrenders to Revenue Fund		(2,069)	(11,522)
Own revenue included in appropriation		1,633	1,783
Net cash flow generated by operating activities		242,042	193,570

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

	Note	2019/20	2018/19
		R'000	R'000
Consolidated Paymaster General account		10,533	11,542
Total		10,533	11,542

16. Contingent liabilities and contingent assets

16.1 Contingent liabilities

		Note	2019/20 R'000	2018/19 R'000
Liable to	Nature			
Claims against the d	epartment	Annex 3B	103,325	102,424
5	yables (unconfirmed balances)	Annex 5	770	3,070
Total		—	104,095	105,494

Most of the amounts are certain as the claimants provide documentary proof of the claim such as a quote received from the panelbeater 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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

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

16.2 Contingent assets

	Note	2019/20 R'000	2018/19 R'000
Nature of contingent asset			
Vista Park Development		10,000	-
Sedibeng Iron Ore		-	-
Moditi Consulting		5,186	-
Total	_	15,186	

Claims against a company who is mining on government owned land and who paid rental to community who illegally occupy our land. The amount receivable in lost rental has not been determined.

17. Capital commitments

	Note	2019/20	2018/19
		R'000	R'000
Roads Infrastructure		319,518	256 705
Movable tangible assets		21	75
Total	_	319,539	256,780
	=		

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

18. Accruals and payables not recognised

18.1 Accruals

Listed by economic classification			2019/20 R'000	2018/19 R'000
	30 Days	30+ Days	Total	Total
Goods and services	26,576	-	26,576	41,388
Transfers and subsidies	128	-	128	677,639
Capital assets	-	-	-	659
Total	26,704	-	26,704	719,686

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
Listed by programme level			
Administration		231	1,429
Public Works Infrastructure		3,014	682,977
Transport Infrastructure		23,241	35,100
Community Based Programme		218	180
Total		26,704	719,686

18.2 Payables not recognised

, ,			2019/20 R'000	2018/19 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	861	281,426	282,287	231,016
Transfers and subsidies	-	695,192	695,192	98,689
Capital assets	-	13,823	13,823	14
Total	861	990,441	991,302	329,719
		Note	2019/20	2018/19
			R'000	R'000
Listed by programme level				
Administration			504	4,290
Public Works Infrastructure			696,010	102,754
Transport Infrastructure			293,557	220,522
Community Based Programme			1,231	2,153
Total		-	991,302	329,719
		Note	2019/20	2018/19
Included in the above totals are the follow	ving:		R'000	R'000
Confirmed balances with other departments	-	Annex 5	-	4
Confirmed balances with other government		Annex 5	40,264	40,265
Total		_	40,264	40,269

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

19. Employee benefits

	Note	2019/20	2018/19
		R'000	R'000
Leave entitlement		12,591	12,234
Service bonus		8,020	7,992
Performance awards		1,625	4,810
Capped leave		10,053	11,235
Other		854	599
Total		33,143	36,870

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

At this stage, the department is not able to reliably measure the long-term portion of the long service awards. Negative leave balances for 37 officials amounting to R 151 800,10 are not included in the leave entitlement amount disclosed for the current financial year.

20. Lease commitments

20.1 Operating leases

2019/20	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 Later than 1 year and not later	-	-	2,574	113,000	115,574
than 5 years		-	7,886	-	7,886
Total lease commitments	-	-	10,460	113,000	123,460

2018/19	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 Later than 1 year and not later than 5 years Later than five years	-	-	161 - -	113,000 - -	113,161 - -
Total lease commitments	-	-	161	113,000	113,161

The Department is leasing buildings for office space located in Kimberley and Yellow Fleet.

20.2 Finance leases

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2019/20	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 Later than 1 year and not	-	-	-	9,455	9,455
later than 5 years	-	-	-	11,588	11,588
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	21,043	21,043

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for the year ended 31 March 2020

2018/19	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 Later than 1 year and not	-	-	-	9,533	9,533
later than 5 years	-	-	-	16,418	16,418
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	25,951	25,951

The Department is leasing white fleet from the NC Fleet Entity and photocopiers from external service providers.

20.3 Operating lease future revenue**

2019/20	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	-	-	439	-	439
Later than 1 year and not					
later than 5 years	-	-	499	-	499
Later than five years	-	-	1	-	1
Total operating lease revenue receivable		-	939	-	939

2018/19	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	-	-	-	-	-
Later than 1 year and not					
later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total operating lease revenue receivable	-	-	-	-	-

The Department is leasing buildings to tenants for business purposes.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

21. Accrued departmental revenue

	Sales of goods and services other than capital assets Total	Note –	2019/20 R'000 10,821 10,821	2018/19 R'000 7,488 7,488
21.1	Analysis of accrued departmental revenue	Note	2019/20 R'000	2018/19 R'000
	Opening balance Less: amounts received Add: amounts recorded Closing balance	-	7,488 (3,320) <u>6,653</u> 10,821	5,898 (2,989) 4,579 7,488

22. Irregular expenditure

22.1 Reconciliation of irregular expenditure

	Note	2019/20 R'000	2018/19 R'000
Opening balance		845,826	800,181
Prior period error			-
As restated	_	845,826	800,181
Add: Irregular expenditure - relating to prior year		-	5,215
Add: Irregular expenditure - relating to current year		108,720	49,967
Less: Prior year amounts condoned		(1,030)	(9,537)
Less: Prior year amounts not condoned and removed		-	-
Less: Amounts written off	_	(33,627)	-
Closing balance	_	919,889	845,826
Analysis of awaiting condonation per age classification	-		
Current year		108,720	49,967
Prior years		811,169	795,859
Total	_	919,889	845,826

22.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2019/20 R'000
Inadequate Procurement: Insufficient Number of Quotations Inadequate Procurement: No Original	Yes	3,794
Tax Clearance Certificate Inadequate procurement: Avoiding	Yes	6,666
Procurement Process	Yes	11,099
of interest	None	2,789

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for the year ended 31 March 2020

Inadequate procurement: Deficient		
tender procedures	Yes	83,832
Inadequate procurement: Incorrect		
CIDB grading	Yes	48
Inadequate procurement: Non-		
Compliant Tax Status	Yes	492
Total		108,720

Warning letters were issued to officials who did not comply with SCM procedures during the 2019/2020 financial year.

22.3	Details of irregular expenditure condo	ned	
	Incident	Condoned by (relevant authority)	2019/20 R'000
	Inadequate Procurement: Insufficient		
	Number of Quotations	NCPT	892
	Inadequate Procurement: No Original		
	Tax Clearance Certificate	NCPT	29
	Inadequate procurement: Deficient		
	tender procedures	NCPT	26
	Inadequate procurement: Insufficient	NODT	0.2
	supporting documentation	NCPT	83
	Total		1,030

22.4 Details of irregular expenditure removed - (not condoned) Incident Not condoned by (relevant authority) 2019/20

22.5	Details of irregular expenditures written o	off (irrecoverable)	
	Incident	· · · ·	2019/20 R'000
	Inadequate Procurement: Insufficient Num	ber	
	of Quotations	HOD	4,300
	Inadequate Procurement: No Original Tax		
	Clearance Certificate	HOD	14,658
	Inadequate procurement: Deficient tender		
	procedures	HOD	14,669
	Total		33,627

22.6 Details of irregular expenditures under assessment (not included in the main note) Incident 2019/20 Points system not adequately applied to all suppliers regarding framework contracts 350,637 Total 350,637

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for the year ended 31 March 2020

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.

23. Fruitless and wasteful expenditure

23.1 Reconciliation of fruitless and wasteful expenditure

	Note	2019/20 R'000	2018/19 R'000
Opening balance		273	638
Prior period error			(268)
As restated	-	273	370
Fruitless and wasteful expenditure – relating to current year		6	-
Less: Amounts written off	_	-	(97)
Closing balance	=	279	273

23.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2019/20 R'000
Interest	None	1
Late Cancellation Fees	None	1
No Show Fees	None	4
Total		6

Based on determination reports finalised, no disciplinary steps were required.

23.3 Prior period error

	Note	2018/19 R'000
Nature of prior period error		
Relating to 2012/13 [affecting the opening balance]		(268)
Fruitless Condoned but not removed		(268)
Total prior period errors		(268)

Prior period error relates to Fruitless condoned but not removed in the 2012/2013 financial year.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

24. Related party transactions

	Mata	0040/00	0040440
Revenue received	Note	2019/20	2018/19
		R'000	R'000
Sales of goods and services other than capital assets		79,092	7,233
Total	_	79,092	7,233
Payments made	Note	2019/20	2018/19
•		R'000	R'000
Goods and services		78,089	8,934
Total	=	78,089	8,934
	Note	2019/20	2018/19
		R'000	R'000
Year end balances arising from revenue/payments			11000
Receivables from related parties		_	(1,004)
Payables to related parties		40,264	40,265
	-	, , , , , , , , , , , , , , , , , , , ,	,
Total	_	40,264	39,261

The department carried NCFMTE expenditure as a result of their inactive bank account. NCFMTE refunded the expenditure when bank account was active.

	Note	2019/20 R'000	2018/19 R'000
In kind goods and services provided/received			
The following client departments within Government			
Sphere occupies facilities @ R0:			
 NC Department of Agriculture and Land Reform 		-	-
2. NC Department of COGHSTA		-	-
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		-	-
Total	_	-	-
	_		

The Department provided services to the Northern Cape Fleet Management Trading Entity in the form of personnel, facilities and other administrative support.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

25. Key management personnel

	No. of Individuals	2019/20	2018/19
		R'000	R'000
Political office bearers (provide detail below)	2	1,970	1,978
Officials:			
Level 15 to 16	1	1,803	1,787
Level 14 (incl. CFO if at a lower level)	5 _	6,785	8,850
Total		10,558	12,615

26. Non-adjusting events after reporting date

Nature of event Include an estimate of the financial effect of the subsequent non-adjusting events statement that such an estimate cannot be made. Covid-19	2019/20 R'000 or a
Total	-

The World Health Organization declared COVID-19 a pandemic on 11 March 2020. In response, the South African Government classified COVID-19 as a national disaster and issued additional regulations and directions to curtail the disaster. The department has been requested by the Department of Health and Department of Education to perform refurbishment of quarantine sites and disinfection and decontamination of affected schools.

27. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	17,062	-	1,004	459	17,607
Computer equipment	6,766	-	643	53	7,356
Furniture and office equipment	5,752	-	186	203	5,735
Other machinery and equipment	4,544	-	175	203	4,516
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	17,062	-	1,004	459	17,607

Movable Tangible Capital Assets under investigation

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation: Machinery and equipment 124	Value R'000
	1,413

Included in above are assets which consists of thefts, losses and shortages under investigation. Once Investigation is completed assets will either be disposed or recovered in cases of negligence.

27.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	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	9,450	-	(8,454)	8	1,004
Transport assets	8,454	-	(8,454)	-	-
Computer equipment	621	-	-	22	643
Furniture and office equipment	195	-	-	(9)	186
Other machinery and equipment	180	-	-	(5)	175
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	9,450	-	(8,454)	8	1,004

27.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	297	162	459	-
Transport assets	-	-	-	-
Computer equipment	-	53	53	-
Furniture and office equipment	118	85	203	-
Other machinery and equipment	179	24	203	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL				
ASSETS	297	162	459	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

27.3 Movement for 2018/19

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND					
EQUIPMENT	17,554	-	773	(1,265)	17,062
Computer equipment	7,484	-	423	(1,141)	6,766
Furniture and office equipment	5,646	-	152	(46)	5,752
Other machinery and equipment	4,424	-	198	(78)	4,544
TOTAL MOVABLE TANGIBLE				(4.005)	(= 000
CAPITAL ASSETS	17,554	-	773	(1,265)	17,062

27.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 **MARCH 2020**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance Value	-	2,104	-	8,804	-	10,908
adjustments	-	-	-	2	-	2
Additions	-	57	-	335	-	392
Disposals	-	903	-	891	-	1,794
TOTAL MINOR ASSETS	-	1,258	-	8,250	-	9,508

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets Number of minor assets at	-	-	-	38	-	38
cost	-	465	-	4,826	-	5,291
TOTAL NUMBER OF MINOR ASSETS	-	465	-	4,864	-	5,329
Minor Capital As	sets under inves	tigation			Number	Value

Number

R'000

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Intangible assets	5	9
Machinery and equipment	213	331

Included in above are 38 assets with R1 values which consists of thefts, losses and shortages under investigation to be disposed after approval is obtained.

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2019

	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 Prior period	-	2,419	-	9,097	-	11,516
error Additions	-	- 67	-	(21) 215	-	(21) 282
Disposals TOTAL MINOR	-	(382)	-	(487)	-	(869) 10,908
	-	(382) 2,104	<u> </u>	(487) 8,804	-	

Norsch an of D4	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets Number of minor assets at	-	-	-	64	-	64
cost	-	523	-	5,869	-	6,392
TOTAL NUMBER OF MINOR ASSETS	-	523	-	5,933		6,456



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for the year ended 31 March 2020

27.4.1	Prior period error		
		Note	2018/19
			R'000
	Nature of prior period error		
	Relating to 2018/19(affecting the opening balance)- duplication of		
	assets		(21)
	Minor assets previously disclosed as a group of assets were disclosed individually and not split from the group		(21)
	Total prior period errors		(21)

27.5 Movable assets written off

MOVABLE ASSET	S WRITTEN	OFF FOR THE	YEAR ENDE	ED AS AT 31 N	IARCH 2020	
Sp	pecialised	Intangible	Heritage	Machinery	Biological	Total
	military	assets	assets	and	assets	
	assets			equipment		
	R'000	R'000	R'000	R'000	R'000	R'000

Assets written off TOTAL	-	1,692	-	110	-	1,802
MOVABLE ASSETS WRITTEN OFF	-	1,692	<u>-</u>	110	<u> </u>	1,802

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2019

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

28. Intangible Capital Assets MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE TOTAL INTANGIBLE CAPITAL	1,601		67	793	875
ASSETS	1,601	-	67	793	875

28.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash R'000	Non-Cash R'000	(Develop- ment work in progress – current costs) R'000	Received current year, not paid (Paid current year, received prior year) R'000	Total R'000
SOFTWARE	67	-	-	-	67
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	67	-	_	-	67

28.2 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
SOFTWARE	-	793	793	
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	793	793	

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

28.3 Movement for 2018/19 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	1,636	-	17	(52)	1,601
TOTAL INTANGIBLE CAPITAL ASSETS	1,636	-	17	(52)	1,601

29. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER	20.224.004		400.057	4 000	20 450 004
FIXED STRUCTURES	39,334,824	-	126,057	1,000	39,459,881
Dwellings	63,132	-	-	-	63,132
Non-residential buildings	3,325,622	-	22,745	1,000	3,347,367
Other fixed structures	35,946,070	-	103,312	-	36,049,382
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	39,334,824	-	126,057	1,000	39,459,881

Dwellings & Non-residential buildings.

Immovable property has been disclosed as per National Treasury Guide (updated March 2017). The properties disclosed in the above note is as per the Assets Register. The criteria followed to record properties in the Asset Register is as follows:

- > Endorsed title deed on hand
- > Issuing of the Item 28(1) is when the vesting process is finalised
- > Surveyed not registered 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. These immovable properties are disclosed as additional information as per note 29.6

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

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	1	-

The above property under investigation presents a land parcel whereas the municipal value is not available. The Department is currently in the process to liaise with the relevant municipality and external valuators to value the property.

29.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	233,534	21,534	(129,011)	-	126,057
Dwellings	-	-	-	-	-
Non-residential buildings	1,211	21,534	-	-	22,745
Other fixed structures	232,323	-	(129,011)	-	103,312
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	233,534	21,534	(129,011)	-	126,057

29.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
BUILDINGS AND OTHER FIXED	R'000	R'000	R'000	R'000
STRUCTURES	-	1,000	1,000	
Dwellings	-	-	-	-
Non-residential buildings	-	1,000	1,000	-
Other fixed structures	-	-	-	-

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for the year ended 31 March 2020

TOTAL DISPOSALS OF				
IMMOVABLE TANGIBLE				
CAPITAL ASSETS	-	1,000	1,000	

The Non-cash disposal presents a property that has been de-recognised that is not in compliance of the National Treasury Guide (updated March 2018).

29.3 Movement for 2018/19 MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER					
FIXED STRUCTURES	38,745,909	(359)	594,774	5,500	39,334,824
Dwellings	60,637	-	2,495	-	63,132
Non-residential buildings	3,273,422	(359)	58,059	5,500	3,325,622
Other fixed structures	35,411,850	-	534,220	-	35,946,070
TOTAL IMMOVABLE					
TANGIBLE CAPITAL ASSETS	38,745,909	(359)	594,774	5,500	39,334,824

29.3.1 Prior period error

Note	2018/19 R'000
Nature of prior period error	
Relating to 2018/19 (affecting the opening balance)	(359)
Clinic previously disclosed on municipal land have been de-	
recognised	(359)
Total prior period errors	(359)

29.4 Capital Work-in-progress

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CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2020

		Opening Current balance Year WIP 1 April 2019		Ready for use (Assets to the AR) / Contracts	Closing balance 31 March 2020	
	Note Annexure 7	R'000	R'000	terminated R'000	R'000	
Buildings and other fixed structures		100,020	233,534	(174,739)	158,815	
TOTAL	-	100,020	233,534	(174,739)	158,815	

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for the year ended 31 March 2020

			umber of proje	ber of projects			
	Age analysis on ongoing projects				Planned, Construction started	Total R'000	
0 to 1 Year 1 to 3 Years				-	- 10	- 158,815	
3 to 5 Years	¥			-	-	-	
Longer than 5 Total	Years			-	- 10	- 158,815	
No Projects a	re identified that	is capital work	in progress fo	or longer than 5	years		
Payables not	recognised rel	ating to Capita	al WIP	Note	2019/20 R'000	2018/19 R'000	
[Amounts relation	ting to progress end and therefo	certificates rece ore not include	eived but not				
work-in-progre			a in capital		13,823	16,584	
Total					13,823	16,584	
CAPITAL WO	RK-IN-PROGR Note Annexure 7	ESS AS AT 31 Opening balance 1 April 2018 R'000	MARCH 201 Prior period error R'000	9 Current Year WIP R'000	Ready for use (Assets to the AR)) / Contracts terminated R'000	Closing balance 31 March 2019 R'000	
Buildings and other fixed							
structures	-	235,882	(42,867)	191,22		100,020	
TOTAL	-	235,882	(42,867)	191,22	4 (284,219)	100,020	
Age analysis	on ongoing pr	ojects		Numb	er of projects	2018/19	

	Planned, Construction not started	Planned, Construction started	Total R'000
0 to 1 Year	-	-	-
1 to 3 Years	1	2	58,484
3 to 5 Years	-	19	41,536
Longer than 5 Years	-	-	-
Total	1	21	100,020

No projects are identified that is capital work in progress for longer than 5 years.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

29.5 S42 Immovable assets

Assets to be transferred in terms of S42 of the PFMA – 2019/20

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	49	113,083
Dwellings	-	-
Non-residential buildings	-	-
Other fixed structures	49	113,083
TOTAL	49	113,083

EPWP projects are deemed to be transferred. The project presents Root-Out-The Dust (ROD's)

Assets to be transferred in terms of S42 of the PFMA - 2018/19

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	30	41,536
Dwellings	-	-
Non-residential buildings	-	-
Other fixed structures	30	41,536
TOTAL	30	41,536

EPWP projects on municipal land deemed transferred. The project presents Root-Out-The Dust (ROD's)

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

29.6 Immovable assets (additional information)

		,		2019/20	2018/19
			Note		
a)	Unsurveyed land	Estimated completion date	Annexure 9	Area	Area
Lar	nd parcels	unknown		unknown	-
b)	Properties deemed vested Land parcels		Annexure 9	Number	Number
	Facilities			-	-
c)	Facilities on unsurveyed land	Duration of	Annexure 9	Number	Number
		use		17	
	Schools			2	147
	Clinics			0	32
	Hospitals			6	1
	Office buildings			1	12 8
	Dwellings Storage facilities			1	0 1
	Other			14	11
d)	Facilities on right to use land	Duration of	Annexure 9	Number	Number
		use		226	
	Schools			336 121	223
	Clinics			121	89
	Hospitals			14 30	11
	Office buildings			23	29
	Dwellings			23 11	-
	Storage facilities			38	12
	Other			30	51
e)	Agreement of custodianship		Annexure 9	Number	Number

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

30. Prior period errors

30.1 Correction of prior period errors

	Note	Amount bef error correction 2018/19 R'000	Prior period error 2018/19 R'000	Restated Amount 2018/19 R'000
Assets				
Minor Asset: Machinery and equipment		10,929	(21)	10,908
Receivable Current		659	6,649	7,308
Receivable Non-Current		6,649	(6,649)	-
Net effect		18,237	(21)	18,216

Minor assets previously disclosed as a group of assets were disclosed individually and not split from the group

	Note	Amount bef error correction 2018/19 R'000	Prior period error 2018/19 R'000	Restated Amount 2018/19 R'000
Liabilities:				
Finance lease commitments		25,858	93	25,951
Capital Commitment		257,933	(1,153)	256,780
Payables Current		3,866	41,439	45,305
Payables Non-Current		41,439	(41,439)	-
Net effect		329,096	(1,060)	328,036

Contracts for copier machines were received late from the service provider and signed after the end of the previous financial year (31 March 2019)

Incorrect classification of project as capital instead of current.

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

31. STATEMENT OF CONDITIONAL GRANTS RECEIVED

		GRA	GRANT ALLOCATION	ION			SPENT	ENT		201	2018/19
NAME OF	Division of Revenue	Roll Overs	DORA Adiust-	Other Adiust-	Total Available	Amount received	Amount spent bv	Under / (Overspen	% of available	Division of	Amount spent bv
GRANT	Act/)	ments	ments		by		ding)	funds	Revenue	department
	Provincial Grants					depart- ment	ment		spent by depart-	Act	1
	R'000	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	1,146,470	I	•	ı	1.146.470	1,146,470	1.146.470	'	100%	1.111.637	1.111.637
Expanded Public							•				
Incent Grant	4.439	1	ı		4.439	4.439	4.439	I	100%	4.154	4.154
	1,150,909	•		•	1,150,909	1,150,909	1,150,909	•		1,115,791	1,115,791

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

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

				2019/20				201	2018/19
		GRANT A	GRANT ALLOCATION			TRANSFER			
NAME OF MUNICIPALITY	DoRA and	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re- allocations by	Division of	Actual transfer
	transfers					5	National Treasury or	Revenue Act	
							National Department		
	R'000	R'000	R'000	R'000	R'000	R'000	%		
Municipal rates and taxes (see Anx 1A)	143,712	ı	1	143,712	143,712	ı	I	60,335	60,335
Sol Plaatje	10,000	-		10,000	10,000		ı		-
TOTAL	153,712			153,712	153,712			60,335	60,335

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

WINICIPALITYDorkaRollAdjustTotalFundsRevolutionAmountAmountManuello anityVariable anityActualMathonal2000R'000R'000R'000R'000R'000R'000R'000R'000R'000R'000R'000R'000R'000R'000 <t< th=""><th>$\begin{array}{c c c c c c c c c c c c c c c c c c c$</th><th></th><th></th><th>GRANT AL</th><th>GRANT ALLOCATION</th><th>_</th><th></th><th>TRANSFER</th><th></th><th></th><th>SPENT</th><th>ENT</th><th></th><th>2018/19</th><th>3/19</th></t<>	$ \begin{array}{c c c c c c c c c c c c c c c c c c c $			GRANT AL	GRANT ALLOCATION	_		TRANSFER			SPENT	ENT		2018/19	3/19
R'100 R'100 R'000 R'100 R'100 <t< th=""><th>R'000 R'000 <t< th=""><th>1</th><th>DoRA and other transfers</th><th>Roll Overs</th><th>Adjust- ments</th><th>Total Available</th><th>Actual Transfer</th><th>Funds Withheld</th><th>Re- allocatio ns by National Treasury or National Depart-</th><th>Amount received by munici- pality</th><th>Amount spent by municip ality</th><th>Unspent funds</th><th>% of available funds spent by munici- pality</th><th>Division of Revenue Act</th><th>Actual transfer</th></t<></th></t<>	R'000 R'000 <t< th=""><th>1</th><th>DoRA and other transfers</th><th>Roll Overs</th><th>Adjust- ments</th><th>Total Available</th><th>Actual Transfer</th><th>Funds Withheld</th><th>Re- allocatio ns by National Treasury or National Depart-</th><th>Amount received by munici- pality</th><th>Amount spent by municip ality</th><th>Unspent funds</th><th>% of available funds spent by munici- pality</th><th>Division of Revenue Act</th><th>Actual transfer</th></t<>	1	DoRA and other transfers	Roll Overs	Adjust- ments	Total Available	Actual Transfer	Funds Withheld	Re- allocatio ns by National Treasury or National Depart-	Amount received by munici- pality	Amount spent by municip ality	Unspent funds	% of available funds spent by munici- pality	Division of Revenue Act	Actual transfer
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$		R'000	R'000	R'000	R'000	R'000	R'000	ment %	R'000	R'000	R'000	%	R'000	R'000
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	1	80	'	'	80	80	'	•	•	'	•		382	382
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$		2,973	I	·	2,973	2,973	•	I	ı	1	'	1	2,945	2,945
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$		570	ı	ı	570	570	'	I	ı	1	I	ı	I	1
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$		2,282	I	I	2,282	2,282	I	I	I	'	I	ı	2,399	2,399
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	- 946 946 - - - 1,363 - - 839 839 839 - - - 1,363 - - - 1,187 1,187 1,187 - - 1,363 - - - - - - - - - - 1,363 - <		1,320	ı	I	1,320	1,320		1	I	'	ı	'	508	508
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$		946	•	ı	946	946	•	1		'	ı	'	1,363	1,363
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$		839	ı	ı	839	839	·	I	ı	'	ı	ı	785	785
244 244 - - 640 640 641 640 642 2,133 2333 2,833 7,293 7,293 7,293 7,293 7,293 7,293 7,293 7,293 7,293 7,293 7,293 7,293 7,293 7,293 1,316 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,342 1,326 1,342 1,342 1,342 1,342 1,342 1,342 1,134 1 1,134 1 1,136 1 1,136 1 1,136 1 1,136 1 1,136 1 1,136 1 <	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$			'	ı			'	ı	1	•	I	'		
1,187 1,187 1,187 1,187 1,187 1,187 640 640 640 640 640 640 640 640 640 640 640 640 640 640 640 640 640 640 640 640 640 640 640 640 640 640 640 640 640 640 640 640 640 31 31 7,293 7,293 7,293 7,293 7,293 7,293 7,293 1,326 1,326 1,326 1,326 1,326 1,326 155 155 156 155 155 156 136 1,328 1,326 137 1,328 1,326 138 1,328 1,326 138 1,328 1,326 137 1,342 1,343 138 1,342 1,343 <td>- 1,187 1,187 1,187 1,187 - - 1,187 1,187 - - 640 640 640 640 640 - - 7,293 7,293 7,293 7,293 7,293 7,293 - - 1,125 1,326 1,326 1,326 - - - - 182 1,326 1,326 1,326 1,326 - - - - - - - - - - - - - - - 182 -</td> <td></td> <td>244</td> <td></td> <td></td> <td>244</td> <td>244</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>293</td> <td>293</td>	- 1,187 1,187 1,187 1,187 - - 1,187 1,187 - - 640 640 640 640 640 - - 7,293 7,293 7,293 7,293 7,293 7,293 - - 1,125 1,326 1,326 1,326 - - - - 182 1,326 1,326 1,326 1,326 - - - - - - - - - - - - - - - 182 -		244			244	244							293	293
- -	- - - - - - 2,190 - - - - - - - 2,190 - - - - - - - - 2,190 - - - - - - - - - 2,190 - - - - - - - - - - - 1/326 - - - - - - - - - - 1/326 - - - - - - - - - - 1/326 - - - - - - - - - - 1/326 - - - 1/326 - - - - - 1/326 - - - 1/326 - - - 1/326 - - - 1/326 - - - 1/326 - - -		1,187	'	ı	1,187	1,187		ı	ı	•	ı		ı	ı
- 2,833 2,833 2,833 - 2,833 2,833 2,833 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 326 1,326 1,326 - 1 1,326 1,326 - - 1 1,326 - - - - 669 669 - - - - - 2,1,342 - - - - - - - 155 - - - - - - - - 2,100 210 - - - - - - - - 1,136 1,342 - - - - - - - - - - - - - - - - - - -	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$		640	'	ı	640	640	'	ı	1	'	I	'	2,190	2,190
- 7,293 7,293 - 7,668 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 31 326 155 669 69 69 69 69 69 69 69 1 34 134 136 136 210 21 134 136 136 210 21 21 21 21 26 210 <td< td=""><td>$\begin{array}{cccccccccccccccccccccccccccccccccccc$</td><td></td><td>2,833</td><td>1</td><td>ı</td><td>2,833</td><td>2,833</td><td>'</td><td>I</td><td>1</td><td>1</td><td>I</td><td>'</td><td>182</td><td>182</td></td<>	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$		2,833	1	ı	2,833	2,833	'	I	1	1	I	'	182	182
31 31 31 31 31 31 31 31 326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 1,326 155 669 69 69 69 69 69 69 69 69 69 1,342 1,342 1,342 1 1,342 1,342 1 1,342 1,342 1 1,342 1,342 1 1,342 1 1 1,342 1 1 1,22,264 1 1 1,22,264 1 1 1,22,264 1 1 1 1 1 1 1 1 1 1 1 1 1 210 1 1	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		7,293	1	I	7,293	7,293		I	ı	1	ı	'	7,668	7,668
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$		31	'	ı	31	31	'	ı	1	•	I	•	326	326
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$		1,326	'	ı	1,326	1,326		I	ı	•	ı		789	789
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$		'	'	ı	•	'	'	I	ı	1	I	'	4,123	4,123
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		699	1	ı	699	699	'	I	1	1	I	'	607	607
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		155	ı	ı	155	155	'	I	ı	1	I	ı	136	136
- - - - 384 384 - - - - - - 384 - - 1,342 1,342 - - 2,547 2,5 - - - - - - - 2,547 2,5 - 122,264 - - - - 29,877 29,8 - 210 - - - - - 408	- - - - - - - 384 - - - - - - - 384 - - 1,342 - - - 2,547 2,5 - - 1,342 - - - 2,547 2,5 - - 122,264 - - - 29,877 29,8 - - - - - - - 29,8 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -		69	1	I	69	69	1	I	1	1	I	ı	36	36
- - 1,342 1,342 - 2,547 - - 122,264 - - 29,877 - - 210 - - - 408	- - - - 2,547 - - - - - 2,547 - - - - - 2,547 - - - - - 2,547 - - - - - 2,547 - - - - - 2,547 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -		432	1	ı	432	432	'	I	1	1	I	'	384	384
- - 122,264 - - 29,877 - - 210 210 - - 408	- - 122,264 - - 29,877 - - - - - - 29,877 - - - - - - 408 - - - - - 408 - - - - - 408		1,342	1	ı	1,342	1,342	ı	1	ı	1	ı	ı	2,547	2,547
408			122,264	'	ı	122,264	122,264	ı	1	ı	'	ı	'	29,877	29,877
	- 168-		210	ı	I	210	210		•	ı	1	ı	•	408	408

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

		GRANT ALLOCATION	LOCATION			TRANSFER			SPENT	ENT		2018/19	8/19
NAME OF MUNICIPALITY	DoRA and other transfers	Roll Overs	Adjust- ments	Total Available	Actual Transfer	Funds Withheld	Re- allocatio ns by National Treasury or National Depart- ment	Amount received by munici- pality	Amount spent by municip ality	Unspent funds	% of available funds spent by munici- pality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Tsantsabane	442	•	-	442	442	-	-	•	'	'		351	351
Ubuntu	4,489	'	'	4,489	4,489	'	•		ı	ı		850	850
Umsobomvu	988	1	'	988	988	'	'		'	ı		1,186	1,186
Joe Morolong	88	'	'	88	88	'	'		ı	ı		I	
TOTAL	153,712	•	•	153,712	153,712	•	•	•	•	•	•	60,335	60,335

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 1B STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

		TRANSFER ALLOCATION	LLOCATION		TRANSFER	SFER	2018/19
DEPARTMENTAL AGENCY/ ACCOUNT	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Skills Development Levy	913	ı	ı	913	913	100%	966
TOTAL	913			913	913	100%	996



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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 1G STATEMENT OF TRANSFERS TO HOUSEHOLDS

		TRANSFER ALLOCATION	LOCATION		EXPEN	EXPENDITURE	2018/19
	Adjusted	Roll	Adjust-	Total	Actual	% of	Final
HOUSEHOLDS	Appro-	Overs	ments	Available	Transfer	Available	Appropriation
	priation Act					funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Leave Gratuity	1,370	•	•	1,370	1 368	100%	937
Bursaries (Non-employee)	361	•	•	361	361	100%	462
Post-retirement benefit	2,964	•	'	2,964	2 964	100%	3,243
Donations & Gifts (Cash)	270	•	·	270	269	100%	270
Claims against the state (Cash)	5,768		1	5,768	5 767	100%	2,318
TOTAL	10,733		I	10,733	10,729		7,230

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 1J STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Made in kind Hugenote Kollege University of Free State		
Made in kind Hugenote Kollege University of Free State	R'000	R'000
Hugenote Kollege University of Free State		
University of Free State		- 12
		- 22
FOREVER KESOTIS GARIED		- 44
Methodist Preachers Association		- 10
Richmond Property Management		- 14
Makoloi Legacy General Ptv		- 14
SKL General Traders (Pty) Ltd		- 18
SKL General Traders (Pty) Ltd		
CPUT		- 10
Varsity College, Rosebank College		- 25
University Of Free State		- 10
Vega		- 25
Caminando Holdings		- 17
Vega		- 10
Caminando Holdings		- 14
Richmond High School		4
Bosch Dunell James Richard	10	
Impumelelo Yethu Enterprise	18	۰ ۳
Mochachos	7	-
LetIhabile Coaches	36	'
Bokamoso I Trading	40	-
Cape Peninsula University of Tec	-10	-
MM Matthys		۔ ~
Vellabelle Accommodations	2	'
Vega	10	-
Khanyobuhle(PTY)		-
Khanyobuhle(PTY)	15	'
SKL General Traders	1	-
Morkel Abraham		'

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

St Peter Modise Kerek 2 - High School Carlton- Van Heerden 10 - Upington Funeral Services 7 7 University Of Free State 271 271 Upington Funeral Services 271 270	Radio Riverside	20	•
eerden 10 5 5 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	St Peter Modise Kerek	2	•
271	High School Carlton- Van Heerden	10	•
271	Upington Funeral Services	5	'
n Funeral Services 7	University Of Free State	7	ı
271	Upington Funeral Services	7	
	TOTAL	271	270

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 3B STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

	Opening Balance	Liabilities incurred during	Liabilities paid/cancelled/re	Liabilities recoverable	Closing Balance
	1 April 2019	the year	aucea auring the year	(Provide details hereunder)	31 March 2020
Nature of Liability	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Contract Dispute (10)	38,257	681	I	·	38,938
Labour dispute (3)	584	1,562	478		1,668
Pothole Claim (69)	61,086	456	7,018		54,524
Rental Arrears (1)	286		ı		286
Collusions (7)	2,209	5,719	19	I	7,909
TOTAL	102,424	8,418	7,515	•	103,325



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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 4 CLAIMS RECOVERABLE

	Confirme outsta	Confirmed balance outstanding	Unconfirm outsta	Unconfirmed balance outstanding	Total	tal	Cash in transit at year end 2019/20 *	it at year end /20 *
Government Entity	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	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	•	•	3,740	3,740	3,740	3,740		'
Office of the Premier	•	•	'	-		~		
CATHSSETA	ı	ı	I	98	ı	96		,
		I	3,740	3,839	3,740	3,839	•	•
Other Government Entities								
NCFMTE	ı	1,004			ı	1,004		
TOTAL		1,004	3,740	3,839	3,740	4,843		•

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 5 INTER-GOVERNMENT PAYABLES

	Confirmed bal	Confirmed balance outstanding	Unconfirmed balance outstanding	ance outstanding	TOTAL	Ļ	Cash in transit at year end 2019/20 *	end 2019/20 *
GOVERNMENT ENTITY	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	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	I	4	616	616	616	620		ı
Provincial Treasury	'	•	154	154	154	154		
Transport, Safety and Liaison		•		2,268		2,268		
Justice and Constitutional Development	•	ı		32	ı	32		
Subtotal		4	770	3,070	770	3,074		
OTHER GOVERNMENT ENTITY Current								
Northern Cape Fleet Management Trading Entity	40,264	40,264			40,264	40,264		
Subtotal	40,264	40,264			40,264	40,264	•	
TOTAL INTERGOVERNMENT PAYABLES	40,264	40,268	770	3,070	41,034	43,338	ı	ı

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 6 INVENTORIES

	Note				
		Quantity	2019/20	Quantity	2018/19
			R'000		R'000
Opening balance		499	64	499	64
Add/(Less): Adjustments to prior year			-		
balance		-		-	-
Add: Additions/Purchases – Cash		-	-	-	-
Add: Additions – Non-cash		-	-	-	-
(Less): Disposals		-	-	-	-
(Less): Issues		-	-	-	-
Add/(Less): Received current, not paid		-	-	-	-
Add/(Less): Adjustments		-	-	-	-
Closing balance		499	64	499	64

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 7 MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Current Year Capital WIP R'000	Ready for use (Asset register) / Contract terminated R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	100,020	233,534	(174,739)	158,815
Dwellings	-	-	-	-
Non-residential buildings	-	1,211	(1,211)	-
Other fixed structures	100,020	232,323	(173,528)	158,815
TOTAL	100,020	233,534	(174,739)	158,815

No Projects were identified that is capital work in progress for longer than 5 years.

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Prior period error R'000	Current Year Capital WIP R'000	Ready for use (Asset register) / Contract terminated R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED					
STRUCTURES	235,882	(42,867)	191,224	(284,219)	100,020
Dwellings	-	-	2,495	(2,495)	-
Non-residential buildings	-	-	1,841	(1,841)	-
Other fixed structures	235,882	(42,867)	186,888	(279,883)	100,020
TOTAL	235,882	(42,867)	191,224	(284,219)	100,020

No Projects were identified that is capital work in progress for longer than 5 years.

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NORTHERN CAPE DEPARTMENT OF ROADS AND PUBLIC WORKS

VOTE 5

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 9 ADDITIONAL INFORMATION ON IMMOVABLE ASSETS

	User Departments	No.
Properties Deemed Vested Land parcels		-
Facilities deemed vested		
Schools	Dept. Education	-
Clinics & Hospitals	Dept. Health	-
Office buildings	All Departments	-
Dwellings	All Departments	-
Storage facilities	All Departments	-
Other	All Departments	-
Facilities on unsurveyed land		
Schools	Dept. Education	17
Clinics	Dept. Health	2
Hospitals	Dept. Health	0
Office buildings	All Departments	6
Dwellings	All Departments	1
Storage facilities	All Departments	1
Other	All Departments	14
Facilities on right to use land		No.
Schools	Dept. Education	336
Clinics	Dept. Health	121
Hospitals	Dept. Health	14
Office buildings	All Departments	30
Dwellings	All Departments	23
Storage facilities	All Departments	11
Other	All Departments	38
Agreement of custodianship		No.
Other	Municipalities	49

Total of 49 ROD projects have been transferred from work-in-progress to the register. These are projects completed on municipal land.

ON THE NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY

DEPARTMENT OF ROADS AND PUBLIC WORKS (THE NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY)

1. REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2020 for the Northern Cape Fleet Management Trading Entity (Trading account under the management of the Department of Roads and Public Works). 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 and Chief Executive Officer in the audit committee meetings.

2. EVENTS AFTER REPORTING DATE

The Covid19 pandemic also impacted on the audit committee operations after the financial year end of 31 March 2020. Social distancing, lock down regulations together with the amended legislative timeframes for annual report submission impacted the operations of the audit committee, internal audit and external audit during the timeframes when annual financial statements and annual performance information would be prepared by the departments, desk reviewed by internal audit and audited by external audit.

The audit committee welcomed initiatives by the entity, internal audit, external audit and audit committee members to go digital in an effort to continue with the compilation of the annual report, desk reviews, audit processes and oversight responsibilities.

The audit committee also noted that as a result of the pandemic a significant budget cut had to be taken by the province and again commends the entity and internal audit for revising annual performance plans and operational plans to accommodate additional spending on healthcare and essential services.

3. 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

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ON THE NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY

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.

4. 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.

5. THE EFFECTIVENESS OF INTERNAL CONTROL

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

Follow up audits are a strong governance and risk management practice, included in the charter for Internal Audit, Government Auditing Standards and in the International Standards for the Professional Practice of Internal Auditing. Therefore, Internal Audit also performed follow up audits. Management has developed a practical action plan to address the above issues within a reasonable time period.

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 and that there are no unresolved issues

6 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.



ON THE NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY

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 audited the risks pertinent to the Entity.

8 EVALUATION OF FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION

- 8.1 The audit committee has reviewed the audited financial statements for the year ended 31 March 2020 for the Northern Cape Fleet Management Trading Entity and has discussed matters of concern with management, Auditor-General as well as the Accounting Officer.
- 8.2 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.
- 8.3 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.
- 8.4 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.
- 8.5 The audit committee has reviewed significant adjustments resulting from the audit as part of the review of the audited financial statements.
- 8.6 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.

9. AUDITOR-GENERAL SOUTH AFRICA

The Audit Committee concurs with and accepts the conclusion and audit opinion of the Auditor General on the annual financial statements and performance information.

ON THE NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY

We congratulate Management in obtaining an unqualified opinion and wish to thank all the stakeholders for there cooperation and assistance.

On behalf of the Audit Committee Viren Magan CA(SA) CIA MBL Chairperson of the Audit Committee Date: 13 October 2020

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

Report of the auditor-general to the Northern Cape Provincial Legislature on Northern Cape Fleet Management Trading Entity

Report on the audit of the financial statements

Opinion

- 1. I have audited the financial statements of the Northern Cape Fleet Management Trading Entity set out on pages 200 to 238, which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
- 2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Northern Cape Fleet Management Trading Entity as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

- 3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
- 4. I am independent of the entity in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
- 5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

Restatement of corresponding figures

7. As disclosed in note 23 to the financial statements, the corresponding figures for 23 March 2019 were restated as a result of an error in the financial statements of the entity at, and for the year ended, 31 March 2020.

Irregular expenditure

8. As disclosed in note 19 to the financial statements, the entity incurred irregular expenditure of R14 721.00, as a result of delays from the Entity in the tender process for expired contracts (Tracker System and Security Services).

Responsibilities of accounting officer for the financial statements

- 9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- 10. In preparing the financial statements, the accounting officer is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

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



ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

Report on the audit of the annual performance report

Introduction and scope

- 13. In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
- 14. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the enity enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
- 15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the entity for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 1 – Northern Cape Fleet Management Trading Entity	192 – 194

16. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

Programme 1 – Northern Cape Fleet Management Trading Entity

17. I did not raise any material findings on the usefulness and reliability of the reported performance information for this programme.

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

Other matters

18. I draw attention to the matters below.

Achievement of planned targets

19. Refer to the annual performance report on pages 192 to 198 for information on the achievement of planned targets for the year and explanations provided for the under-/ overachievement of a significant number of targets.

Adjustment of material misstatements

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

Report on the audit of compliance with legislation

Introduction and scope

- 21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
- 22. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

- 23. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1) (b) of the PFMA.
- 24. Material misstatements of non-current assets items identified by the auditors in the submitted financial statements were corrected resulting in the financial statements receiving an unqualified opinion.

Consequence management

25. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

26. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into fruitless and wasteful expenditure.

Other information

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

Internal control deficiencies

- 31. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies
- 32. The accounting officer did not effectively exercise oversight responsibility regarding financial reporting and compliance and related internal controls
- 33. The entity did not develop and monitor the implementation of action plans to address internal control deficiencies arising from prior years' audit findings.

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

- 34. The entity did not implement controls over daily and monthly processing and reconciling of transactions
- 35. The entity did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information
- 36. The entity did not review and monitor compliance with applicable laws and regulations
- 37. The internal audit unit did not review internal control on safeguarding of assets and provide recommendations for addressing deficiencies.

Other reports

38. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

Auditor General

Kimberley 28 September 2020



Auditing to build public confidence

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

Annexure – Auditor-general's responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

- 7. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- 8. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

NORTHERN CAPE DEPARTMENT FLEET MANAGEMENT TRADING ENTITY PERFORMANCE INFORMATION for the year ended 31 March 2020

NORTHERN CAPE FLEET MANAGEMENT TRADING ENTITY 1. Programme: Northern Cape Fleet Management Trading Entity

The NC Fleet Management Trading Entity(NCFMTE) is an entity of the department and reports directly to the HOD as the Accounting Officer of the department. This arrangement still stand because it is not listed entity. It is further mandated to ensure all provincial department's fleet requirements are met through leasing white fleet from the entity. The entity possesses white fleet and yellow fleet (graders) which is utilized for road building equipment. The fleet is then leased at an hourly rate or daily basis depending on the type of equipment or type of construction project. Charges out rates is revised annually.

2. Overview of Departmental Performance

2.1 Service Delivery Environment

The internal environment which include operating without a personnel budget: depending on the department of Roads and Public Works for certain functions and not having enough warm bodies in Northern Cape Fleet Management Trading Entity. It was able to effectively carry out its mandate notwithstanding the above mentioned internal environment.

Northern Cape Fleet Management Trading Entity was able to do the following things in its quest to achieve its strategic objectives and goals:

- Billing and Cost Recovery from client departments.
- Debtor management.
- Report on misuse of vehicles and fuel
- Communication through meetings with client departments and relevant stakeholders.
- Disposal of obsolete fleet and Improve service at District workshops.

The Northern Cape Fleet Management Trading Entity consistently ensured that the client Departments are serviced and that this is done by having quarterly meetings with client departments and sending them invoices regularly. The objective of the meeting is to deal with all the transport related matters that has a potential of compromising service delivery if they are not adequately addressed. There are no major developments that have an impact of the provision of motor transport to the client departments.

NORTHERN CAPE DEPARTMENT FLEET MANAGEMENT TRADING ENTITY PERFORMANCE INFORMATION for the year ended 31 March 2020

2.2 Organizational Environment

Entity has embarked on a process of filling posts, which will be fast tracked during the 2020/2021 financial period. Due to some work that had to be done by the Directorate of Legal Service at the Department of Roads and Public Works, the entity could not embark on the process of reviewing the organogram. Now that the Directorate of Legal Services at the Department of Roads and Public Works has completed its work, the entity will start the review of the structure during the financial year 2020/2021

Because the entity has set itself a goal to replace white fleet which has either reached four years or 160 000km, it therefore managed to replace 64 white fleet for the reporting period under review

2.3 Key policy developments and legislative changes

In the year under review, there have not been any significant changes to policies or legislation that might severely affect the operations of the department. National Treasury Gazetted the Preferential Procurement Policy Framework (PPPFA) 2017, which makes provision for 30% set-aside for subcontracting as conditions of tenders over R30 million in order to advance designated groups.

3 Strategic Objective:

To provide reliable fleet to all provincial departments at an economic rate

3.1 Overview of the Strategic Objective

Strategic Objective	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
To provide reliable fleet to all provincial departments at an economic rate	3 022	3 043	2 254	-789	Aged fleet was disposed of hence the number of white and yellow fleet planned maintenance has reduced. The RT57 contract was approved late by the National Department of Transport which delayed the buying process of the fleet.

NORTHERN CAPE DEPARTMENT FLEET MANAGEMENT TRADING ENTITY PERFORMANCE INFORMATION for the year ended 31 March 2020

3.2 Performance of the Strategic Objective

Taking into account the Key Performance Indicators that emanated from the above mentioned Strategic Objective of the Northern Cape Fleet Management Trading Entity. Out of the 3 043 annual targets 2 254 were achieved by the Entity.

Reasons for deviation

- The RT57 contract was approved late by the department of transport which delayed the buying of white fleet.
- Aging yellow fleet was disposed of; hence the number of yellow fleet maintenance was lesser.
- The entity did not have enough fleet to commence with an auction, because the auctioneer requires at least 150 vehicles to perform the auction.

3.3 Sub-Programme 1: Office of the Chief Executive Officer

3. 3.1 Programme 1: Office of the Chief Executive Officer

Performance Indicator	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of engagements held with client departments	6	4	4	-	-

3.3.2 Strategy to overcome areas of under performance

• This Output Indicators was achieved 100%.

3.4. Sub-Programme 2: Technical Services

The purpose is to manage the provision and utilization of the Road Building equipment and provincial motor transport fleet.

- Yellow Fleet To manage the provision and utilization of the Road Building equipment fleet.
- White Fleet To manage the provision and utilization of the provincial motor transport fleet.
- Front line, Repairs and Maintenance Services To render front line technical assistance to clients and oversee repairs and maintenance activities to road building equipment and the provincial motor transport fleet.

PERFORMANCE INFORMATION

for the year ended 31 March 2020

• Technical Specifications and Analysis – To ensure that technical specifications and analysis of the roads building equipment and the provincial motor transport fleet are correctly compiled and understood.

3.4.1 Performance Indicators: Technical Services

Performance	Actual	Planned	Actual	Deviation	Comment on	Remedial
Indicator	Achievement 2018/2019	Target 2019/202 0	Achievement 2019/2020	from planned target to Actual Achievement for 2019/2020	deviations	Action
Number of white fleets to be kept within the economic life cycles through replacements	158	81	64	-17	The RT57 contract was approved late by the department of transport which delayed the buying of white fleet.	The Entity will develop a plan in preparation of the buying of white fleet,
Servicing Yellow fleet according to the maintenance schedule	1 548	704	646	-58	Aged fleet was disposed of, hence the number of yellow fleet planned for maintenance has reduced.	The target will be reduced in new financial year, to account for the possible disposal
Servicing white fleet according to maintenance schedule	New Indicator	1 450	1 323	-127	Aged fleet was disposed of, hence the number of white fleet planned for maintenance has reduced.	The target will be reduced in new financial year, to account for the possible disposal
Number of graders available for roads maintenance and construction	55	60	60	-	-	-
Number of fleet disposals	1	2	1	-1	The entity did not have enough fleet to commence with an auction, because the auctioneer requires at least 150 vehicles to perform the auction.	Target will be reduced in new financial year to one auction

NORTHERN CAPE DEPARTMENT FLEET MANAGEMENT TRADING ENTITY PERFORMANCE INFORMATION

for the year ended 31 March 2020

3.4.2 Strategy to overcome areas of underperformance

The overall achievement of these targets had a huge bearing on the work of the Entity, and this can be attributed to much better planning from the side of the Entity, in terms of ensuring that there is always reliable fleet to be used by the client departments for service delivery and the services of the yellow fleet in particular also had a positive bearing on the work of the Roads Programme in the Department of Roads and Public Works

- The RT57 contract was approved late by the department of transport which delayed the buying of white fleet.
- Aged fleet was disposed of, hence the number of yellow/white fleet planned for maintenance has reduced.
- Entity did not have enough fleet to commence with an auction, because the auctioneer requires at least 150 vehicles to perform the auction
- Target will be revised in new financial year.

3.5 Sub-Programme 3: Financial Management Services

To render financial management services under the following

- Budget, Revenue and Expenditure Management To budget, revenue and expenditure management and control support services.
- Supply Chain and Asset Management To implement effective and efficient supply chain management and asset management procedures.

3.5.1 Performance Indicators: Financial Management Services

Sub-programme Na						
Performance Indicator	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations	Remedial Action

PERFORMANCE INFORMATION

for the year ended 31 March 2020

Number of billing	156	156	156	-	-	-
invoices to client						
departments						
Percentage of payments	96.90%	100%	98.79%	-1.29%	The Entity changed banks	The Entity will develop a
processed within					from ABSA to	payment
30 days.					Standard Bank	schedule that
					as per National	will be used to
					Treasury	track
					directive, which	payments.
					resulted in	
					certain	
					payments	
					being delayed.	

3.5.2 Strategy to overcome areas of underperformance

The planned indicators under sub programme financial management services was 156 and 100%. The target of 156 was achieved 100%, and the 100% target was 98.79 achieved

The Entity changed banks from ABSA to Standard Bank as per National Treasury directive, which resulted in certain payments being delayed.

3.6 Programme 4: Corporate Services

To render Human Resource Management; Development; Auxiliary Services; Strategic Planning, Monitoring and Evaluation under the following sub programmes

- Human Resource Management To render human resources management and development support services.
- Auxiliary Services To render auxiliary support services to the Entity.
- Strategic Planning, Monitoring and Evaluation To monitor and evaluate the performance of the Entity.
- External Liaison and Development To promote, develop and monitor vehicle and plant services to clients.

3.6.1 Output Indicators: Corporate Services

PERFORMANCE INFORMATION

for the year ended 31 March 2020

Sub-programme Name: Corporate Services						
Output Indicator	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations	
Submission of performance reports to the Accounting Officer	4	6	6	-	-	

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ANNUAL FINANCIAL STATEMENT

for the year ended 31 March 2020

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2020

	Notes	31 March 2020 R'000	31 March 2019 R'000 (Restated)
REVENUE Revenue from Exchange Transactions	5.1	259 913	268 743
Sale of goods and Rendering of Services Finance lease income Finance Income Other Income		240 592 9 934 9 323 64	253 512 4 576 9 820 834
Revenue from Non – Exchange Transaction	5.2	6 100	35 567
Transfers and Sponsorships – Service in kind Government grant and subsidies	5.3	6 100 -	32 209 3 357
Total Revenue		266 013	304 309
EXPENSES			
Employee related costs Repairs and maintenance Depreciation and amortisation expense General expenses Bad debts	6.1 6.2 6.3 6.4 6.5	(29 998) (52 789) (31 461) (149 321)	(57 905) (26 277) (153 878)
Total Expenses		(263 570)	(238 060)
(DEFICIT) / SURPLUS		2 443	66 249
Gain / (Loss) on assets		4 325	(7 874)
SURPLUS FOR THE PERIOD		6 768	58 375

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ANNUAL FINANCIAL STATEMENT

for the year ended 31 March 2020

STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2020

	Notes	31 March 2020 R'000	31 March 2019 R'000 (Restated)
ASSETS			
Non-current Assets		233 229	250 252
Property, Plant and Equipment	7	168 221	177 908
Finance Lease Receivables	14	64 932	72 269
Intangible assets	8	75	75
Current Assets		521 983	488 031
Receivables from Exchange Transactions	9	382 701	329 289
Short-term portion of Finance Lease Receivable	14	22 064	22 273
Cash and Cash Equivalents	16	116 199	110 961
Inventories	17	1 019	25 508
TOTAL ASSETS		755 212	738 283
NETT ASSETS AND LIABILITIES			
Current Liabilities		15 170	17 472
Payables from Exchange Transactions	11.1	12 641	17 417
Current provisions	11.2	2 254	-
Other liabilities	11.3	275	56
Nett Assets		740 042	720 811
Accumulated Surplus		702 107	686 296
Revaluation Surplus	10	37 935	34 515
		755.040	700.000
TOTAL NETT ASSETS AND LIABILITIES		755 212	738 283

ANNUAL FINANCIAL STATEMENT

for the year ended 31 March 2020

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2020

Να	ote Accumulated Surplus (Restated)	Revaluation Surplus	Total
	` R'000	R'000	R'000
Balance at 01 April 2018	620 575	36 715	657 290
Total surplus for the year (Restated)	58 375	-	58 375
Other movements	1 187	-	1 187 3 960
Revaluation of Property, Plant and Equipment	-	3 960	3 960
Transfers to accumulated surplus	6 160	(6 160)	-
Balance at 31 March 2019	686 296	34 515	720 811
Total surplus for the year	6 768	-	6 768
Transfers to accumulated surplus	9 043	(9 043)	-
Other movements	-	-	-
Revaluation of Property, Plant and Equipment	-	12 464	12 464
Balance at 31 March 2020	702 107	37 935	740 042

ANNUAL FINANCIAL STATEMENT

for the year ended 31 March 2020

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

		31 March 2020 R'000	31 March 2019 R'000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Customers Payments to Suppliers		187 243 (230 477)	223 495 (181 647)
Cash generated from operations	15	(43 234)	41 848
Interest Received Net Cash (out) / in Flows from Operating Activities	5	9 323 (33 911)	9 820 51 668
INVESTING ACTIVITIES Purchase of equipment Purchase of inventory Proceeds on sale of property, plant and Equipment Purchase of intangible assets Nett increase in finance lease assets Prior year correction Inventory	7	(660) (9 047) 14 928 (38) 33 747	(69) (109 069) 12 485 (8) 23 862 -
NET CASH IN / (OUT) FLOWS FROM INVESTING ACTIVITIES		38 929	(72 799)
FINANCING ACTIVITIES Increase in other liabilities		<u>219</u> 219	<u>56</u> 56
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		5 238	(21 075)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		110 961	132 036
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		116 199	110 961

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.
- c) General Hire Vehicles: These vehicles are available for rental by clients, as and when they need extra transport

d)

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.

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.

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 property, 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 property, plant and equipment

The capitalisation of motor vehicle fleet and road building equipment accessories and other items of property, 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.

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	Торіс	Effective date
GRAP 20	Related Party Disclosures (revised)	01 April 2021
GRAP 32	Service Concession Arrangement Grantor	01 April 2021
GRAP 34	Separate Financial Statements	01 April 2020
GRAP 35	Consolidated Financial Statements	01 April 2020
GRAP 36	Investments in Associates and Joint Venture	01 April 2020
GRAP 37	Joint Arrangements	01 April 2020
GRAP 38	Disclosures of Interest in Other Entities	01 April 2020
GRAP 104	Financial instruments (revised)	To be determined
GRAP 108	Statutory Receivables	01 April 2021
GRAP 109	Accounting by Principals and Agents	01 April 2021
GRAP 110	Living and Non-Living Resources	01 April 2021
IGRAP 20	Accounting for adjustments to revenue	01 April 2020

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.

4. Summary of significant accounting policies.

4.1 Property, Plant & Equipment

- Property, Plant & Equipment is recognised when:
- it is probable that future economic benefits or service potential associated with the item will flow to the Entity and
- the cost or fair value of the item can be measured reliably

Initial Recognition

- An item of property, 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 property, 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 property, 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 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:
- Road building equipment:
- Furniture and Computer equipment:
- Intangible assets

3-10 years 5 to 20 years 5 years 5 years

The depreciation also takes into account a residual value. Residual values on white fleet and finance lease assets are calculated at 30% of its cost price/revalued amount, whilst assets transferred from finance lease to white fleet are calculated at 15% of its revalued amount due to the reassessment of useful life when such assets reaches the end of their finance lease term. 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 property, 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 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.

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.

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

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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 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.

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.

For non-financial assets: 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).

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.

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• 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 property, plant and equipment, when such items of property, plant and equipment are brought into use.

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 property, plant and equipment, when such items of property, 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 recognised in statement of financial performance and 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.

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.



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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 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.



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 of1968), 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.

5. Revenue

5.1 Revenue from Exchange Transactions

	31 March 2020 R'000	31 March 2019 R'000
Revenue from Exchange Transactions comprises:		
White Fleet Kilometre Tariffs Yellow Fleet Rental of Road Building Equipment Tracking Finance Lease Income Finance Income Other Income	109 365 124 356 6 871 9 934 9 323 64 259 913	120 850 125 719 6 944 4 576 9 820 834 268 743
5.2 Revenue from Non – Exchange Transactions Grant Received and Subsidies Transfers and Sponsorships – Service in kind	6 100 6 100	3 357 32 209 35 567

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
- Assistance in human resource management
- Assistance in Risk and Legal affairs
- Assistance in investigating of Irregular expenditure
- Assistance in SCM procedures on procurement above R30 000

The entity did recognise services in kind of RNul' (2019: R26 349 411') relating to employees not contracted to the entity but delivering a service to us.

This does not include the service received from the HOD, CFO and The SCM unites as the services received cannot be guantified on assessment that was done.

The entity did recognise services in kind of R6 100 046' (2019: R5 859 795') relating to free accommodation provided to the entity by the department.

The entity received services in kind from the Northern Cape Provincial Treasury in the form of the internal audit and audit committee function. Due to the many uncertainties and complexities surrounding services in-kind, the fair value of the services in kind for incidental services cannot be determined and is not recognised by the Entity.



6.	Expenses	31 March 2020 R'000	31 March 2019 R'000
6.1	Employee cost		
	Basic salary	19 054	-
	Housing allowance	637	-
	Medical aid and pension	4 072	-
	Performance bonus	245	-
	Service bonus	1 592	-
	Travel allowance	514	-
	Other allowances	1 630	-
	Provision for leave movement	1 421	-
	Provision for long service awards movement	65	-
	Provision for service bonus movement	768	-
		29 998	-

6.2 Maintenance and Repairs

6.3

6.2.1 Maintenance & Repairs per asset classification

19 384	16 180
33 405	41 725
52 789	57 905
	33 405

6.2.2 Maintenance and Repairs per expense classification

8 846	9 343
1 950	2 940
41 990	45 621
3	1
52 789	57 905
31 461	26 277
	1 950 41 990 <u>3</u> 52 789

6.4	General expenses	31 March 2020 R'000	31 March 2019 R'000
	Admin fees Advertising Audit fees Auction fees Bank charges Cleaning Consulting fees Equipment rentals Fuel, Oil and Lubricants (Transport Costs) Fixed fee Insurance Licensing fees Other expenses Printing and stationery Professional fees Security Telephone Toll fees Tracking fee Training Transaction fees Travel and accommodation Uniforms and protective clothing Water and electricity	2 050 133 2 371 1 717 37 288 2 313 31 462 74 022 984 585 2 526 12 206 210 42 2 385 459 22 13 788 - 305 649 463 304 149 321	1 652 65 1 841 1 436 8 265 1 941 20 945 71 915 17 1 096 2 637 7 442 - 26 349 695 287 29 13 788 26 - 984 7 453 153 878
	=		100 010

6.5 Bad Debts

Bad debts		

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.



7. Property, Plant and Equipment

7.1 Vehicle Fleet (White Fleet)

	31 March 2020 R'000	31 March 2019 R'000
Opening Balance – 1 April	25 212	15 872
Cost	43 759	28 678
Accumulated Depreciation	(18 547)	(12 806)
<u>Movements</u> : Additions Transfers from Finance lease asset Transfers from Inventory Disposals Depreciation Revaluation	8 968 1 447 (6 165) (10 768) 12 464 5 947	9 062 10 366 (5 359) (8 689) 3 960 9 340
Closing Balance	31 159	25 212
Cost	55 263	43 759
Accumulated Depreciation	(24 105)	(18 547)

Additions

Additions were transferred from Inventory. 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.

Revaluation

Revaluation on white fleet occurs when assets are transferred in from finance lease. No specific date can be determined for revaluation as it only occurs when the asset reaches the end of its lease term and all assets have different purchase dates, thus all assets are not revalued at a specific point in time during the year. The new carrying amount is calculated at 60% of the fair value on date of transfer as it is of managements experience that only 60% will be able to be obtained if the assets that reach the end of their lease term would to be sold on auction. On said date the asset is revalued by comparing its residual value at which it is transferred against the fair value of the asset in its current state. The fair values are determined directly by reference to prices observable in an active market. The difference between the carrying value of the asset brought over and revalued amount is accounted for in the revaluation surplus.

7.2 Road Building Equipment (Yellow Fleet)

	31 March 2020 R'000	31 March 2019 R'000 (Restated)
Opening Balance – 1 April	149 409	114 886
Cost / Valuation	228 898	182 260
Accumulated Depreciation and impairment losses	(79 489)	(67 374)
<u>Movements</u> : Additions	8 800	57 078
Capitalisation	-	-
Disposals*	(4 438)	(6 764)
Depreciation Expense	(18 995)	(15 790)
	(14 633)	34 524
Closing Balance	134 776	149 409
Cost / Valuation	228 763	228 898
Accumulated Depreciation and impairment losses	(93 987)	(79 489)

Impairment loss

During the current period, no impairment loss occurred. Impairment losses normally occur 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 of R8 800 were transferred from inventory. 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.

Equipment and furniture 7.3

	31 March 2020 R'000	31 March 2019 R'000
Opening Balance – 1 April	3 287	3 736
Cost	8 409	7 490
Accumulated Depreciation	(5 122)	(3 754)
<u>Movements</u> :	660	1 450
Additions	(1 661)	(1 758)
Depreciation	-	(142)
Disposals	(1 001)	(450)
Closing Balance	2 287	3 287
Cost	9 069	8 409
Accumulated Depreciation	(6 782)	(5 122)
Total Property, Plant and Equipment		31 March

	2020
	R '000
At Cost	293 129
Accumulated Depreciation	(124 908)
Net book Value	168 221

Intangible Assets 8.

	31 March 2020 R'000	31 March 2019 R'000
Opening Balance – 1 April	75	55
Cost	214	154
Accumulated Depreciation	(139)	(99)
<u>Movements</u> : Additions Depreciation Disposals	38 (38)	60 (40)
	-	20
Closing Balance	75	75
Cost	256	214
Accumulated Depreciation	(181)	(139)

9. **Receivables from Exchange Transactions**

	31 March 2020 R'000	31 March 2019 R'000
Department of Roads and Public Works	281 613	235 911
Other Provincial Departments	100 545	93 362
Other	543	16
	382 701	329 289

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
31 March 2020	382 701	53 533	23 219	92 940	213 009
31 March 2019	329 289	22 569	23 024	19 041	264 655

Past due and not impaired trade receivables -. History has shown, that past due debts are generally recoverable through the assistance of Provincial Treasury.

10. **Revaluation Surplus**

	31 March 2020 R' 000	31 March 2019 R' 000
Non distributable reserves from revaluation		
Opening Balance	34 515	36 715
Revaluations	12 464	3 960
Transfer to accumulated surplus	(9 043)	(6 160)
Closing Balance	37 935	34 515

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

11. Current Liabilities

Payables from Exchange Transactions 11.1

	31 March 2020 R' 000	31 March 2019 R' 000
Trade and other payables	12 641	17 417
	12 641	17 417

11.2 Current provisions

	31 March	31 March
	2020	2019
	R' 000	R' 000
Provision for leave	1 421	-
Provision for long service awards	65	-
Provision for service bonus	768	-
	2 254	-

11.3 Other liabilities

	31 March	31 March
	2020	2019
	R' 000	R' 000
Unresolved suspense account prior year	3	3
Accrued interest	-	53
ABSA account	271	-
	275	56

ABSA account represents a balance due by the Northern Cape Government Fleet to ABSA. The amount originated from suppliers that were paid from the ABSA account after the account has been closed.

12. 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 prior years, 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.

The following are the contractual maturities of financial liabilities:

Payables from Exchange Transactions as at 31 March 2020			
	Carrying Amount Contractual Cash		
	R'000	Flows R'000	
Trade creditors	12 641	12 641	
	Within 1 Year	Within 1 Year	

Payables from Exchange Transactions as at 31 March 2019			
Carrying Amount Contractual Cash R'000 Flows R'000			
Trade creditors	17 417	17 417	
	Within 1 Year	Within 1 Year	

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.

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:

I	31 March 2020 R'000		31 March 2019 R'000	
	Carrying	Fair	Carrying	Fair
	Amount	Value	Amount	Value
	R'000	R'000	R'000	R'000
FINANCIAL ASSETS				
Amortised cost				
Finance lease receivable	64 932	64 932	72 269	72 269
Short-term portion of finance lease receivable	22 064	22 064	22 273	22 273
Receivables from exchange transactions	382 701	382 701	329 289	329 289
Cash and cash equivalents	116 199	116 199	110 961	110 961
Total Financial Assets	585 896	585 896	534 792	534 792

Commitments 13.

Capital: contracted	31 March 2020 R'000 28 499	31 March 2019 R'000 6 011
Operation: contracted	276	15 528
Total	28 775	21 539

14. **Finance Lease Receivables**

Finance leases – Entity as lessor

The Entity has entered into finance leases for its motor vehicle fleet. Finance lease assets are leased over a 4-year term.

Gross investment in leases due	Gross Lease Payments	Unearned Finance Income	Net Present Value
	R '000	R '000	R '000
Amounts due within 1 year			
Amounts due within $2 - 5$ years	45 205	(23 141)	22 064
-	81 769	(16 836)	64 932
-	126 974	(39 977)	86 996

Included in the gross lease payments are Unguaranteed Residual Values expected at the end of the lease of R22.2 million.

Present value of minimum lease payments due	Minimum Lease Payments R '000
Amounts due within 1 year Amounts due within 2 – 5 years	22 064 64 932
	86 996

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 2019 was as follows:

Gross investment in leases due	Gross Lease Payments	Unearned Finance Income	Net Present Value
	R '000	R '000	R '000
Amounts due within 1 year			
Amounts due within 2 – 5 years	51 216	(28 943)	22 273
	95 668	(23 399)	72 269
	146 884	(52 342)	94 542

Included in the gross lease payments are Unguaranteed Residual Values expected at the end of the lease of R25.9 million.

Present value of minimum lease payments due	Minimum Lease Payments R '000
Amounts due within 1 year Amounts due within 2 – 5 years	22 273 72 269
	94 542



15. Cash Generated from Operations

16.

17.

	31 March 2020 R'000	31 March 2019 R'000 (Restated)
Surplus for the Period Adjusted for:	6 768	58 376
Interest Received	(9 323)	(9 820)
Finance lease income	(9 934)	(4 576)
Impairment loss – Fleet	-	-
Depreciation - Fleet Loss on disposal of assets	31 461 (4 325)	26 277 7 874
Other non-cash items	(4 325) 306	(4 127)
Operating Profit before Working Capital Changes	14 953	74 004
Working Capital Changes:	(58 187)	(32 156)
Decrease/(Increase) in Trade and Other Receivables	(53 412)	(31 596)
Increase/(Decrease) in Trade and Other Payables	(4 776)	(560)
Cash Generated from Operations	(43 234)	41 848
Cash and Cash Equivalents		
	31 March	31 March
	2020	2019
	R'000	R'000
Bank account – ABSA	_	110 961
Standard Bank	116 199	-
	116 199	110 961
Inventories		
	31 March	31 March
	2020	2019
	R'000	R'000
Opening balance	25 508	24 465
Purchased during year	9 047	109 069
Transfer to White Fleet:	(1 447)	(10 366)
Transfer to Finance lease	(23 289)	(42 956)
Transfer to Yellow fleet	(8 800)	(54 704)
Closing balance	1 019	25 508

Inventory presents vehicles on year-end, not issued to user departments as finance leases and not transferred to PPE to be utilised as operating lease assets.

18.	Irregular expenditure	31 March 2020 R'000	31 March 2019 R'000
	Reconciliation of irregular expenditure		
	Opening balance	68 228	53 150
	Add: Irregular Expenditure relating to prior year Add: Irregular expenditure relating to current year	- 14 721	- 15 078
	Less: Amounts condoned	-	-
	Closing Balance	82 949	68 228

Irregular expenditure disclosed is confirmed irregular the full extent of irregular cannot be confirmed as there is still expenditure that is under investigation that can possibly lead to irregular.

	31 March 2020 R'000	31 March 2019 R'000
Fruitless and Wasteful Expenditure		
Opening balance	268	388
Add: Current year	3	106
Less: Amounts condoned	<u> </u>	(226)
	271	268

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.

20. Change in accounting policy

19.

20.1 Property plant and Equipment

There has been a change in the accounting treatment/estimate of residual values of finance lease assets transferred to white fleet at the end of their lease term. Under normal circumstances white fleet and finance lease assets residual values are calculated at 30% as determined by management estimates that the 30% would be recoverable at the end of the 4 years of said assets. Assets that reach the end of their lease term are evaluated to determine whether further use can be made of them by reference to their operating condition. If assets are in a good working condition the assets are accounted for under white fleet and given an additional 3-year useful life. The residual values of these assets transferred from finance lease to white fleet are calculated at 15%. The estimate of residual value of 15% is based on management's estimates and of prior years' knowledge that approximately 15% of the cost of an asset will be recovered if it is to be in use for 7 years. The amount of the change



in estimate is not practically measurable since this process occurs throughout the year and not at a specific time of the year.

20.2 Trade and other receivables

There has been a change in accounting policy with regards to trade receivables during the year. The accounting policy now excludes the charging of interest on overdue accounts. Due to the fact that all receivables are other state departments it is not deemed necessary to charge interest on overdue accounts as state entities does not charge each other interest. The change took effect from the beginning of the year and the extent and effect of the amount on the financial statements is R 0 (zero) due to the fact that interest was not charged in prior years.

21. Contingent asset

	31 March 2020 R'000	31 March 2019 R'000
Opening balance Claims	5 653 -	5 653 -
Closing balance	5 653	5 653

There has been a number of claims against user departments, due to damages to entity vehicles where the entity have evidence of possible non-compliance by the CLIENT with the provisions of Regulation 12 of the PFMA or breach of the SLA or contravention of any laws;.

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 R5,6 million.

		31 March 2020 R'000	31 March 2019 R'000
22.	Contingent liability		
	Opening balance Current year claims	1 353 78 1 431	1 353

Various legal claims have been lodged against the entity, as the owner of the vehicles; involved in incidents where a 3rd party vehicle was damaged Investigations are still under way to determine the probability of the contingent liability.

23. Prior period error

(a) Payables from Exchange Transactions:

During the 2017/2018 financial year an error was identified on the Payables from Exchange Transactions where an invoice was duplicated.

There was also some cut off issues with expenses recorded in the 2019 financial year but are actually 2018 expenses. The effect of the above changes in the annual financial statements is as follows:

20	1	8
----	---	---

R'000

Accumulated Surplus as at 31 March 2018 as previously stated	611 375
Cartrack expense duplicated	1 035
Assets under R 5 000 cut off issue	(2)
Electricity and water cut off issue	(32)
General expense cut off issue	(2)
Rental Printer/Copier cut off issue	(28)
Rental security cameras cut off issue	(2)
SAGE – PASTEL cut off issue	(4)
Travel and accommodation cut off issue	(40)
Accumulated Surplus restated as at 31 March 2018	612 300

(b) Correction of carrying amount incorrectly calculated on register - Restatement of opening balance & accumulated depreciation

	2018 R'000
	3 736
Furniture and equipment carrying value as at 31 March 2018 as previously stated	
Furniture and equipment at cost price was overstated	-389
Furniture and equipment at accumulated depreciation understated	389
Furniture and equipment carrying value as at 31 March 2018 restated	3 736
	- 235 -

	2018 R'000
Computer Software carrying value as at 31 March 2018 as previously stated	55
Computer Software at cost price understated	5
Computer Software at accumulated depreciation overstated	-5
Computer Software carrying value as at 31 March 2018 restated	55

(c) After re-assessing Road Building Equipment (Yellow Fleet), the following was detected:

Depreciation on fully depreciated vehicles that are still in use was recalculated based on the adjusting useful lives.

The impact was as follows:

	2019
R'000	
1. Understatement of surplus/(deficit) for the period	
Surplus/ (Deficit) for the period as previously stated	50 128
Depreciation understated	8 247
Restated surplus/ (deficit) for the period 31 March 2019	58 375
2. Overstatement of depreciation	
Depreciation for the period	34 525
Overstatement of depreciation	(8 247)
Restated deprecation for the period 31 March 2019	26 277
3. Overstatement of accumulated depreciation of Yellow Fleet assets	
Accumulated depreciation as previously stated	96 010
Overstatement of accumulated depreciation - 2018	(8 274)
Overstatement of accumulated depreciation - 2019	(8 247)
Restated accumulated depreciation for the period 31 March 2019	79 489
4. Understatement Carrying value of Yellow Fleet assets	
Carrying value of Yellow Fleet as previously stated	132 888
Understatement of carrying value – 2018	8 274
Understatement of carrying value – 2019	8 247
Restated carrying value as at 31 March 2019	149 409

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5. Understatement of accumulated funds as at 1 April 2018

Balance of accumulated funds as previously stated	612 300
Understatement of depreciation	8 274
Restated balance of accumulated funds as at 1 April 2018	620 575
6. Understatement of accumulated funds as at 31 March 2019	
Balance of accumulated funds as previously stated	669 775
Understatement of depreciation – 2018	8 274
Understatement of depreciation – 2019	8 247
Restated balance of accumulated funds as at 31 March 2019	686 296

24. 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.

Non adjusting event after the reporting date : COVID-19 Outbreak

The World Health Organisation (WHO) declared the COVID-19 virus, commonly known as the CoronaVirus, outbreak to be a pandemic. South Africa confirmed its first positive case for COVID-19 during March 2020. Following in the footsteps of other countries who have successfully dealt with the virus, the South African Government has taken stringent steps to contain and/or delay the spread of the virus. One of the steps taken was a national Lockdown pronouncement.

The Lockdown has resulted in significant disruption of mainly non-government operations and the event and conditions create a level of future operational uncertainty. The financial impact of this uncertainty cannot be determined at this stage.

25. Related parties

Fleet Management Trading Entity is managed under the administration of the Department of Roads and Public Works.

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.



Included in note 5.3 and 6.4 is an amount of R6 100 046 (2019: R32 209 206) recognised as service in kind for employees contracted to the department working for the entity and free accommodation provided to the entity by the department.

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

Related party transactions

1. Remuneration of management	2019/20 R'000
Mr. M.N. Bosch – Chief Executive Officer	
Basic salary Service bonus Travel allowance Pension Other allowances Total	709 64 88 92 255 1 208
2. Northern Cape: Department of Public Works	
Revenue from Department	2019/2 0 R'000
Sales of goods and services Total	141 157 141 157
Payments made by department on behalf of entity	
Goods and services	102 036
Total	102 036
Year end balances arising from revenue/payments	
Receivables from related parties	284,15 8
Payables to related parties	-
Total	284,15 8

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